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MANAGEMENT

FEBRUARY 1959

VOLUME 24 No. 2

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Louis E. Newman

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The Organization And Its Communications
Problem

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CONTENTS

Articles

WHAT YOU PUT IN by Phil Carroll	4
SO LONG — NOT GOODBYE! by Harold R. Bixler	5
SOME PHILOSOPHIES OF MANAGEMENT by Louis E. Newman	6
A MANAGEMENT CHALLENGE by W. R. Willard	9
WHY I LIKE S.A.M. by George R. Dempster	11
STEPS IN DETERMINING EFFECTIVE ADMINISTRATIVE ACTION by Robert L. Katz	12
MY PHILOSOPHY OF MANAGEMENT by Harold B. Maynard	16
THE ORGANIZATION AND ITS COMMUNICATIONS PROBLEM by Jay M. Jackson, Ph.D.	17
ROAD BLOCKS TO COMPANY GROWTH by Allison V. MacCullough	21

Features

CIPM Reports by Jane Dustan	24
S.A.M. Engineer Honored George A. Sievers, Engineer of the Month	26
NEW MANAGEMENT WRITING S.A.M. Book Service	27
UNIVERSITY DIVISION OBSERVATIONS by Professor Harold Fischer	28
TYPICAL S.A.M. CHAPTER ACTIVITIES	29
NATIONAL & REGIONAL EVENTS	30
UNIVERSITY CHAPTER PERFORMANCE STANDINGS	30

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What You Put In

YOU HAVE often heard it said, "We get out of something about what we put in." Well, that isn't true of S.A.M. You get out of S.A.M a very much greater return, but—and it's a big BUT—only after you put in both time and effort.

S.A.M provides you unequaled means for self-development. As you know, your personal-development is your greatest concern in life. It's vital to your boss also. That's why the best management development plans you hear about always stress self-improvement. This reason is, of course, that enlarged knowledge becomes better management only when it is applied skillfully. Thus, to develop you must do more than put in the time and effort to gain more knowledge. You must also diligently practice what you learn.

In this quest, S.A.M can help you in three ways. First is to provide you with means to acquire up-to-date knowledge. Second is to encourage you to learn how to talk. Third is to give you opportunities to practice managing.

You can get the latest information only from those who will tell you what happened this afternoon. Men who can tell you facts you need to know are at S.A.M chapter and committee meetings. They will pass on to you what they know when you have become well acquainted and are accepted as a confidant.

Knowledge, new and old, won't help you very much in your efforts to get ahead until you can explain its practical applications. That takes skill with words—usually spoken. Thus your skill in applying your know-how can be improved as you utilize your many invitations to talk more at chapter meetings. Take part in the question and answer period that follows every speaker's talk. Be a meeting chairman, a discussion leader, even a speaker.

Go further to practice managing. Take on assignments in chapter operations. Work on committees. Organize programs. Run some of the many training sessions, round tables, and conferences. Be an officer, if elected, not a name on the letterhead. These kinds of "getting results through people" who are volunteers like yourself is managing of a very high order. Remember, too, that whatever mistakes you may make in these S.A.M chapter management jobs you fill cannot cost you your paycheck.

Why not make the most of your opportunities in your S.A.M chapter to develop yourself? No one else can do it for you. You have to make the effort. You have to put into your S.A.M chapter much more than dues. You must put in both time and effort before you can get out what you want—your own, personal self-development.

Phil Carroll
S.A.M National President
and
Professional Engineer
Maplewood, N. J.

So Long — Not Goodbye!



PRESIDENT PHIL CARROLL's statement (below) of January 9, to the National Officers, Directors and Chapter Presidents, made the first announcement of my resignation as Executive Vice President of the Society. I am glad to take advantage of this opportunity to give you more of the details.

First—What I'm going to do. For quite some time I've wanted to concentrate more in the field of top management development. Actually, in all my business career I've been at least partially involved in this important work—for some twenty years in industry, and over ten years in association activities. I made the decision to change over six months ago, after several attractive offers had been voluntarily made to me. I am now going to engage in full-time consulting work in the highest phase and end result of management development—the selection and placement of the individual executive in the position best utilizing his top capabilities, and offering the brightest future.

Second—Where I'm going. I've joined the firm of Boyden Associates, Inc., with headquarters at 247 Park Avenue, New York 17, N. Y., effective January 19. Boyden Associates specializes in consultants to management on executive selection. The firm is retained by a broad cross section of industrial corporations to conduct searches for executives at the officer level. It is the leading firm in its field, operating throughout the United States and internationally. An affiliate company, Boyden Industrial Services, Inc., provides their clients with search services in connection with the purchase or merger of manufacturing companies.

Third—About S.A.M. The Society is on its way to new heights in attaining its objectives for management education and development through chapter, regional and national programs. The expanding activities and services now in operation, and being planned, provide S.A.M a solid foundation for continuing progress. You can rest assured that the leadership of the Society is in strong hands, now and for the years ahead. I deem it a real personal privilege and highlight experience to have had the opportunity of serving as your Executive Vice President for these last four years. My warmest thanks in real appreciation to you for the constant courtesies, encouragement, and assistance which have made this position so challenging and enjoyable.

Fourth—The future. I can never forget the innumerable pleasant relationships which all my friends in the Society—everywhere—have made possible for me. I'll still be plugging for S.A.M at every opportunity, and my work will quite naturally involve our mutual interests.

In the meantime, my very best wishes to you and yours for health and happiness throughout the New Year.

Sincerely,

Harold R. Bixler

S.A.M National Executive Vice President

IT IS WITH REGRET that I announce the resignation of Harold R. Bixler, National Executive Vice President. He is leaving the Society on January 19 to engage in full time consulting work in the field of management development. He has joined the firm of Boyden Associates, 247 Park Avenue, New York City. Harold will shortly write you.

His decision several months ago to make the change has speeded up considerations by the Long Range Planning Committee about the future organization of our Society. This includes a re-study of what should be the most appropriate organization for an international decentralized professional management association. It is based upon the increasing number of chapters, the development of regional organization, the greater diversification and scope of the activities of the Society, and the establishment of additional advisory and working committees. Harold, as you well know, has had a significant part in all of these developments and S.A.M advancements during the last four years in his position as Chief Executive Officer.

Until this study is completed, there will be no replacement of Harold as Executive Vice President. During the interim, the National Office will carry on with increased administrative responsibilities for the present department heads, under the direction of Patrick J. Reddington as Executive Director. The National Office will be given additional counsel and help by 1st Vice President Dause Bibby, former Board Chairman Frank Bradshaw, and me.

The most immediate and significant result of the current situation, I am delighted to announce, is that Frank Bradshaw has been engaged by the Society to develop for S.A.M a succession of Basic Courses in Management Education designed for Chapter use. We plan to have these lead to a certificate as "Professional Manager". They will be a fundamental part of the Society's new program of "continuous management education" we are working toward.

The best experience in the field will be utilized—from such organizations as Columbia University, M.I.T., Shell Oil, Prudential Insurance, General Electric and other companies. The topics, readings, discussion manuals, questions, and examinations in this program can assure S.A.M of a solid foundation for local management education and development, and thus better attain our national objectives. And we expect to get this far-reaching addition to S.A.M's program within our budget. I will keep you informed of progress as we proceed under this plan.

In closing, I know you join me in extending to Harold Bixler our real appreciation for his many contributions to our Society during the last four years, and our best wishes for his future.

Sincerely yours,

Phil Carroll

S.A.M National President

Some Philosophies Of Management

by Louis E. Newman

President
A. L. Smith Iron Company
Chelsea, Massachusetts

IT is my belief that a manager's philosophies may be more important to his future success than his skills. For *his future actions will be guided first by principle, and second by method.* It is much like planning a trip—usually you decide *where* you want to go before deciding *how*. Similarly, in business, we must make philosophical decisions on principles to guide us before we plan solutions to specific problems. Examples of such need for principles or philosophies are questions such as:

- Shall promotion be from within, or shall the best qualified candidate be sought inside or outside the company?
- Shall compensation be geared primarily to length of service, or to performance?
- Shall we follow precedent, or rely on written objectives, policies and principles to guide us?

In each of these cases, and many others, the basic philosophy has been established, or is being established in any organization. Usually the principles being followed have never been stated, and thus are differently understood by men applying them within the same organization.

My purpose here is to explore some

of these philosophies, and I will do so within the framework of the business with which I am associated. It might be called a large, small company, for we have a main plant and three satellite plants employing about six hundred men and women. Our annual volume of business is about ten million dollars.

It has seemed to me that *managing starts with the managers of a business accepting a common body of principles or philosophies which, while continuously evolving, guide them in their day-to-day decisions.* Now, what fits our business may not fit yours, and what fits a manufacturing type of business—and what we think is best for us today, may be different at some future time. So, on this basis let's explore some of the principles by which we live.

1. Good Employee Relations Starts With a Sound Organization Structure.

It has been my observation that some of the most trying situations in which men find themselves have had their roots in poor organization. Common examples of causes of severe friction in a company are cases of these types:

- Two men have been given the same responsibility.

- A man reports to more than one boss.
- No one knows who is supposed to "have the ball."
- Men are held responsible for situations in which they have no real authority.

One of the outward signs of poor organization is the manager's plea to his men to pull together, to act as a team. With proper assignment of responsibility, coupled with proper authority and each man held accountable for his actions, it seems a little superfluous to ask men to pull together—that's their job, and they should know it!

There are some tests for good organization that are easy to apply and often reveal some of the more obvious errors in poor structuring. These tests are:

- a) Is the organization chart on paper up-to-date and widely in use in the organization as a guide to responsibility and authority?
 - b) Does each man report to only one boss, and clearly understand this is so?
 - c) Is each area of responsibility assigned to only one man, and is this in writing?
 - d) Does communication travel freely throughout the organization?
- ## 2. Men's Destinies Should Rest On More than One Man's Opinion.

This is easier said than done, for when you give a manager authority to act it usually includes the power to hire and fire. There are some protections that can be given employees, but none is more important than each supervisor feeling that he wants to enlist every possible aid before forming an opinion that will vitally affect the job of one of his employees. I think there was once

MR. NEWMAN joined the General Electric Company in 1929, where he continued in various managerial positions in Engineering, Manufacturing, Marketing and Employee Relations until 1957, when he became President of the A. L. Smith Iron Company. In 1935 he was presented General Electric's highest honor, the Charles A. Coffin Award, for developing special calculation methods for automatic extraction steam turbines. He is a member of the American Management Association, the Illuminating Engineering Society, the American Society of Mechanical Engineers and the National Electrical Manufacturers' Associations.



a time in our factories when a foreman could literally say to a man, "I don't like the cut of your jib.", and fire him without cause. This may seldom be so openly true today, but to a degree it is true of many jobs.

IN our case, we have a policy that requires two levels of supervision to concur in any change that vitally affects the status of an employee. Specifically, this is intended to protect the employee and the company against poor judgments in matters such as hiring, firing, increase or decrease in pay, or change in organization structure. It is not intended to lessen the power of a supervisor to act with authority, but rather to be sure that he counsels with someone having an objective and detached viewpoint.

In addition, we encourage our supervisors to go through a four-step selection process when they are choosing a candidate for a promotion, or hiring a new employee. These four factors are:

- a) What has he accomplished?
- b) What do others, capable of judging his competence, think of him?
- c) What do you think of him?
- d) What are the results of psychological tests?

We must remember that no test has the wisdom of God.

3. Promotion Goes To The Most Able For The Job Ahead.

Sounds simple, doesn't it? But let me assure you that when you put this into practice you will run into some serious problems. For example, some companies pride themselves on a "promotion only from within" policy. Such a policy automatically says that the best qualified candidate will not always be chosen, unless it should be true (and it might be!) that the best qualified candidates always come from within the company.

A second example of a problem arising when you "promote the most able" is the disappointment of passed-over candidates who feel they are more deserving. They may, in fact, be more deserving from the standpoint of having worked harder, or longer, or being older, or even in feeling more loyal. The "most able," from the standpoint of being best qualified, may not be the most deserving from certain other standpoints. In order to apply the principle of promotion to the most able, certain guiding sub-principles are needed. Ours are these:

- a) Evaluate what a man *has done* as a guide to what he *will do*. It is the "will do" on the *job ahead* that is significant.
- b) Distinguish between breadth of experience and repeated experience. ("Twenty year's experience" may really be one year's experience repeated twenty times.)
- c) Search outside the company for a job candidate only when there is no fully qualified candidate inside the company.
- d) When two or more candidates are *equally qualified*, select the youngest qualified candidate. (This is rough, sometimes, on older men, but it is essential to the vitality and continuity of an organization.)

The protection grandfathers like myself have in such a policy is that we have had more time to prepare ourselves for the jobs ahead, thus should be better qualified than our younger competitors. Of course, there is no substitute for the experience and maturity of judgment provided by a company's older employees.

4. Managers Should Be Tough, But Never Brutal.

Maybe I had better define one of these terms. By "toughness" I mean that a manager must objectively analyze a problem, decide on the best solution, then see that it is carried out. He must have the courage and stamina to do what needs to be done for the overall health of the business, but his actions should have a quality of warm, human consideration that takes into account the pride and feeling of affected employees. Dr. Malcolm P. McNair of the Harvard Business School has said, on this point, that managers should be tough-minded but not tough-hearted.

An example comes to mind of the practice, which I believe is not uncommon, of taking a responsible employee off his job without warning. In fact, his replacement may take over on the same day he is notified of his release or demotion. The resultant shock is often a brutal one. I have heard it justified by managers saying, "There is no use cutting off the dog's tail by inches." They may be right, but I don't think so.

Of course, I realize there are cases where this "change without warning" is the only reasonable way to handle certain situations. But I think such cases are in the minority, and in most cases advance warning can be given of im-

pending change that will help the employee adjust to the new situation. Also, an employee is entitled to know in advance in what way his work falls short of what is required of him, and given a chance to correct his deficiencies when possible.

One way managers can be sure they don't take a man off his job without giving him a chance to improve is to schedule annual "How Am I Doing?" meetings with each employee.

5. Each Employee Is Entitled To Know What His Boss Thinks Of Him, And Why.

We can't pick our parents, but we can change our bosses by changing our jobs. And let's not kid ourselves that most of us have much of a future if our boss doesn't think pretty well of us. The trouble is that many bosses leave their employees in doubt as to their true feelings about them.

IN order to encourage our supervisors to tell each employee how he stands, we plan to schedule annual "How Am I Doing?" meetings at the time of an annual salary review. This doesn't mean that salaries cannot be reviewed at any time, or that "How Am I Doing?" meetings can only be held once a year. Rather, it is an attempt to assure each employee that his salary will be reviewed at least annually, and at that time his boss will give him an appraisal of his performance.

So far we have not extended this to our unionized employees. Maybe we should?

6. Managing Must Never Be A Popularity Contest.

It is my feeling that each man chosen to be a supervisor consciously or unconsciously makes an important decision early in his supervisory career. He decides that he will do what he thinks is right, or he decides he will do what he thinks will be popular. It may be popular with those working for him or those above him. The man who chooses the course of trying to do what he thinks will be most popular is usually a little pathetic. He tries so hard to be liked, and often is, but more often fails as a supervisor. Such a man rarely gets the high praise and respect of the true leader of whom his employees say, "He is tough, but fair," or, "He plays no favorites," or, "He'll not let you down in the clutches."

7. Managers Must Live Their Ethics.

It should be recognized that ethics

are not born into any of us. They are acquired from our early environment, from our readings, and from our observations of others. The ethics of a manager guide him and others around him through many critical situations. But they are rarely written for then they sound like platitudes. Instead, it is a case of "actions speaking louder than words," or, What you are . . . thunders so that I cannot hear what you say. . . ." (Ralph Waldo Emerson)

IF I had to name the one most important quality of a top manager today, I would pick his personal integrity. In these days of tax-dodge temptations, opportunities to feather-bed, chances to play favorites, times to get free entertainment and opportunities for unfair self-advancement, the manager's ethics will be apparent to those around him. It is my belief that the large majority of the men reaching top positions today have done so in no small measure because of having individual standards of integrity that commanded the respect of those around them.

8. *Set Precedents When It Seems Proper To Do So.*

The question, "Wouldn't we be setting a precedent?" has hindered many a desirable action. I like to feel that good precedents are good things to set, and that bad precedents need not be continued for there is no need to perpetuate our errors. It was Emerson who said, "A foolish consistency is the hobgoblin of little minds. . . ." Another way this thought might be put, was suggested by Mr. Harold F. Smiddy of General Electric when he said, "Leaders can't also be copiers of what others have already done."

9. *Managers Should Lessen Rather Than Create Emergencies.*

Early last week I was paid a call by the General Manager and Sales Manager of one of our principal suppliers. Because of their importance they were accompanied by the salesman who regularly contacts us and by the New England District Sales Manager. We, in turn, assembled our "brass" for the occasion. The purpose of the visit was to stimulate their lagging sales, but there was a "fly in the ointment." Twice during our two-hour meeting a man-made emergency had to be handled by the visiting General Manager. Twice our meeting was held up for periods exceeding fifteen minutes each while the General Manager answered long distance

calls from his Vice-President. All of you who have worked in a large organization know how this might have happened. The president asks a vice-president what happened on the XYZ job. The vice-president says he'll find out, so he calls the General Manager, who is reported out-of-town but can be located. Now, "the emergency" is in full control. The long distance operators find the quarry in an important customer's office. The result is a time-wasting, unnecessary emergency.

10. *Each Man Should "Decide His Own Destiny," Rather Than Simply Do What He Is Told.*

In William H. Whyte's book, "The Organization Man," he has a chapter titled, "Checkers." It closes with a quotation from a young executive who has been transferred from city to city a number of times by his company. He says, "I'd hate to lose all that is behind me because somebody is playing checkers with me."

Now the fact is that companies are playing checkers to a surprising degree with the lives of their employees, and the further fact is that the checker players often are poorly skilled. The unfortunate result is often the movement of men and their families capriciously, with consequent loss of roots and sometimes of objectives. The cure is not with improving the checker players, but rather with educating the checkers.

Each of us may be a "checker" in the sense that our company may ask us to change jobs. I believe that *most such job changes are very much in the interest of the employee.* Moreover, job changes are essential to rounding out the experience of a man trying to qualify himself for certain better jobs. The point is, though, that *the employee himself should evaluate carefully the proposed new job.* Is he qualified, or can he become qualified to fill it in such a way as to make a real contribution? Is it something he wants to do? Does he realize fully that opportunity and security are not bedfellows?

11. *Compensation Should Be Based On Contribution.*

It sounds pretty elementary to say that we should pay for what we get, but compensation in most companies is based on three elements. These are:

- Past Service
- Present Contribution
- Expected Future Potential

Of these three, it is my feeling that present contribution should receive the

greatest weight. We take this for granted when we buy something, or pay our doctor or lawyer. But in our own company we may see nothing odd about paying an older employee much more than a younger employee who is doing a better job. And we accept as necessary the overpaying of some employees based on their need rather than their contribution.

There are factors influencing a man's growth we have not yet learned how to evaluate. These include such things as:

- His continuing motivation.
- His health and energy.
- His ability to get along with others.
- His family's demands on him and many others.

The point is that future potential, while important, is elusive; present contribution is real and measurable.

12. *The Pay-Off Is Based On What You Do, Not What You Know.*

During the 'question part' of a general informative meeting we held last month, one of the men asked, "Is promotion based on *what* you know, or *who* you know?" Of course he was referring to a feeling widely held among shop employees in many plants that if you know the right people, or have the proper "pull," promotion is automatic. I answered him: "Promotion in our Company is based on *what* you know, and not *who* you know," but, looking back on my answer I don't think I was right. I should have answered, "Promotion is not based on *what* you know, or *who* you know, but is based on *what* you do with what you know."

THERE are two quotations I like and that help me in the job of being a manager. The first is a reminder not to make up my mind before I have all of the facts. It comes from Dr. Sillcox, a former President of A.S.M.E:

"Prejudice is a great time saver; it enables one to form opinions without bothering to get the facts."

The final quotation is in the form of a prayer by Reinhold Niebuhr. I have carried it with me for many years as a reminder to my judgment in critical situations. I hope it will be of similar value to you:

*"Give me the serenity to accept what cannot be changed.
Give me the courage to change what can be changed.
The wisdom to know one from the other."*

A Management Challenge

by W. R. Willard

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I WOULD like to present to you a challenge, one which I believe is quite in keeping with our desire to advance free enterprise and do what we can toward assuring a continuously expanding economy. I propose that management do something about the problem of *individualism*. By that I mean the problem which some alarmingly point out as the submergence of the individual and the loss of individuality in our present-day corporate society. This problem falls directly into the field of organization planning and presents the sort of challenge that I believe we must face up to.

As one of our top officials¹ pointed out in a recent address:

"Businessmen have apparently failed to grasp the real meaning of this problem, which is odd when you consider how much businessmen like to talk about free enterprise, individual initiative, and rugged individualism. Even though individualism has always been considered an integral part of our business philosophy, it probably isn't the first time in history that men have had only an awakening understanding of the implications of

what they have proclaimed to the world."

This problem falls directly into the field of organization planning and certainly should provide something for you people to think about and discuss.

How much this whole problem ties in to our job as managers was brought home to me recently at a luncheon held by the Kiwanis Club in San Francisco at which the winners of the "Invest in America Week" contest were being honored. These were high school students from all over the San Francisco Bay Area. The three or four top winners read their winning compositions with enthusiasm. They were excellent essays and expressed great hope and faith in America and in the future. They consistently struck the theme of opportunity to move ahead as an *individual*, to start new businesses, to be a part of this great free enterprise system. As I walked down the hill to my office I wondered if maybe these young people might be due for some disillusionment when they leave school and start jobs in large corporations. For, generally, the jobs they will fill, at least for the first years, will be quite restricted in opportunity for individual expression. Even when these young people reach a

point where they are "members of management," are they going to actually feel that they are part of the free enterprise system and enjoy the opportunity for individuality to be freely expressed? Some, of course, may step out on their own as they leave school and start new businesses, but I am afraid this group will represent only a small part of the total.

In thinking over this situation it seemed clear to me that industry has not yet provided opportunity for the front-line supervisor in a large corporation to feel the same thrill of individual initiative as does the top-level executive or the man in charge of his own business.

I talked this matter over shortly after the Kiwanis luncheon with a busy and successful top executive. He said: "Sure it's a problem; and certainly something ought to be done about it. But, we, as managers, have a more immediate and pressing job to reduce costs, improve methods, improve quality, and make a profit. We just haven't time during the business day to take on social problems. No doubt those who are specializing in sociology can give full attention to this matter."

I disagree with this defeatist attitude and accept this problem as a challenge to business management. Not only can we do something about correcting one of the most difficult problems which our industrial growth has created; but in doing something about it, by recreating a little more of the free enterprise system at the front line of management, we may also find that we have released a source of energy and brain power that will go much further toward cost reduction and profit improvement than anything else we can do.

The approach I would like to suggest

W. R. WILLARD joined the staff of Columbia Steel Company in 1937 as a Commercial Analyst. In 1940 he was promoted to Supervisor of the District Commercial Office in San Francisco, and one year later transferred to the Administrative Staff. He was appointed to his present position in 1947. A native of Nebraska, Mr. Willard graduated from Stanford University in 1933 with an AB in engineering. He gained experience in engineering field work with various organizations including the U. S. Coast and Geodetic Survey and Harza Engineering Company. In 1936 he returned to Stanford University to complete a course of graduate work in business and engineering administration. He is National Director of the S. A. A. San Francisco Bay Chapter, a member of the AMA and of ASME.



is, naturally, in the area of organization planning. I should like to present organization planning as part of the larger planning job which is part of every manager's responsibility. First, we should establish a background of agreement on the "job of management" as a function over and above and separate and apart from the activities which usually make up a business organization—that is, separate from the functions of production, sales, credit, engineering, purchasing, etc. We must consider management as the group of processes which when applied to such tasks as sales, credit, engineering, or purchasing, sees to it that these specialized functions are accomplished and business objectives are achieved.

MUCH has been written on this subject, and many studies on it have helped clarify the question of just what management is and what the processes are which make it up. Although agreement has not been entirely reached on the exact listing of these several separate processes of management, I believe the following terms cover the subject very well: *planning* (which includes organization planning), *motivating*, *coordinating*, and *measuring*. These processes are closely interrelated in much the same way as the various parts of a golf swing are interrelated. As such, they cannot be easily separated except for purposes of study or discussion. Furthermore, each manager in carrying out his job is applying the processes of planning, motivating, coordinating, and measuring, within the scope of his own particular environment or area of responsibility. The important thing is that when a manager thinks of his job in management terms he gives it a different emphasis than he does when his thinking is primarily concerned with the technical specialties over which he has charge. A chief engineer in charge of an engineering staff must think of his work in terms of *planning* the activities of the engineering department, *motivating* the supervisory and engineering personnel who make up his department, *coordinating* the different units of activity, and *measuring* results. Only when he begins to approach his job this way can he truly move up from the role of engineer and assume the role of manager.

To illustrate this point further let me refer to a foreman training program being carried out at one of our works locations. In initiating this program a

few years ago, the General Superintendent was hoping to enlarge the thinking of these supervisors in terms of doing a better managing job. During the first discussions with each group of front-line foremen, many of whom had moved up only recently from non-supervisory jobs, a starting question was: "What do you consider to be your job as a foreman?" The answer would usually be in terms of producing a certain tonnage of product, or producing the product at a low cost and a proper quality. Only after a great deal of discussion did the men begin to see their jobs in different terms—not in the same terms used to describe the work of the men over whom they supervised. The foremen began to see their jobs more in terms of *directing* others, *planning* or thinking ahead on matters falling within the area of their own operation, considering how their crews could *work together* better toward a common objective, and striving to *control* results. In other words, through these discussions, the men gradually saw what their jobs were in terms of planning, motivating, coordinating, and measuring. For the first time they began to realize what the job of management really meant.

Another approach to this matter at a much different level was the work done in our company over a number of years in researching and developing a specification for the job of the chief executive.² By certain fortuitous circumstances which gave an opportunity to work directly with four different presidents, certain common denominators gradually became evident. It became clear that the *retained* responsibility of the top man was definitely not one of selling, producing, engineering, etc., but rather one of planning, motivating, coordinating, and controlling these various functions and specialties of the business for overall results. It was most interesting to the foremen to be told that their jobs as front-line supervisors could be expressed in exactly the same terms as the job of the president of the company—the only difference being the *scope* of responsibility. It was apparent that through such job perspective a great potential was released insofar as enthusiasm, feeling of opportunity, and job satisfaction were concerned.

But the catch is that such job satisfaction and enthusiasm is not truly pos-

sible unless these front-line managers actually *are* given the opportunity to exercise these basic processes of management. This is where organization planning comes in.

WHILE organization planning is part of the management job as a whole, it provides the foundation on which all the rest of the management processes are built. Or, stated another way, it provides the framework on which to build a complete management responsibility. It is concerned with both the broad structure of the business as a whole, as well as the individual structure of a single management position. It involves objectives to be accomplished, functions to be performed, and relationships to be maintained. We could also include management guides, responsibility specifications, and numerous other mechanics which organization planners love to talk about. But the important thing is that through organization planning we can start building into every manager's job, from top to bottom, a more complete management responsibility—that is, more opportunity to plan, coordinate, motivate, and measure results within a defined area of responsibility.

Naturally, there are limitations in attempting to provide a front-line supervisor full responsibility for planning, motivating, coordinating, and measuring the activities which have been placed under his direction. Many things enter in to make this difficult—lack of confidence in the man, for example. But we should at least *attempt* to establish these processes to their fullest possible value in every management job. By approaching our front-line supervisory positions this way, I think we have at least a partial answer to the question of what can be done to restore opportunity for individual enterprise to *all* managers in our corporate type of society. This approach helps train managers for larger responsibility while exposing them from the very beginning to the full impact of what a top manager feels in the way of joys, fears, thrills, and frustrations. Under these conditions a man realizes that he has at his own command the opportunities to succeed or to fail. He knows he has the opportunity to use his initiative and thus participate in the free enterprise system. I am convinced that when this approach is given a full and fair trial, an amazing number of good ideas and improved practices will begin to flow upward and to filter throughout the

² (AMA — General Management Series #155 — "The Chief Executive, His Job and His Staff" — 1952.)

Why I Like S.A.M

by George R. Dempster

President, Dempster Brothers, Inc.,
Knoxville, Tennessee



organization. When we allow free enterprise to really operate in our management structure, we lay a far sounder groundwork for doing the most effective job on the immediate and short-term problems of the business.

A great deal has been written lately about how industry will need more brain power as the years ahead carry us on into the electronic age. The need for trained people able to cope with the increased complexities of our enterprises will be greatly expanded. The demand for good ideas and for the very best of human resources to meet the bigger opportunities ahead will be tremendous. We'd better, then, start having more faith in the capacities of the people who are working for our corporations, and then organize to use this capacity.

To summarize: the growth of business organizations and the trend toward a corporate type society has created an environment that seems to submerge the individual and restrict opportunity for individual expression. Since individual initiative is the very basis of the free enterprise system, businessmen and management leaders cannot dismiss this problems as one for others to worry about. Its solution presents a real challenge to management people who have deliberately organized to advance the profession of management. The first step towards solution lies in better understanding of just what the job of management consists of—a recognition that management is a separate and distinct function and that there are some fundamental processes common to all management jobs. Then, by simply building into each management job, from the very front-line supervisor on up to the top executive, a more complete responsibility for planning, motivating, coordinating, and measuring, we have taken the first real step toward building back the free enterprise system into our large corporate structures. This is an organization planning job and, therefore, one that all managers can give attention to. Furthermore, I believe that this approach will not only help correct one of the most difficult of the problems of our social and economic life, but will also give us a much stronger base to meet the pressing short-term problems facing business today. As business leadership grows in knowledge and understanding of human behavior, I feel sure that we will all recognize more clearly that individuality is the very

AS A STUDENT in the public schools I could hardly wait for vacation time in order to get my hands on some type of machinery. In fact, I quit high school for two years—until my mother twitched my ears and forced me back to graduate. For this, I shall always be grateful to her because it is certain that a high school education is the absolute minimum for one who enters the management field.

The current generation does not realize how hard jobs were to find in the first six years of this century, and how ridiculously low were the wages paid to everyone from the water boy to the superintendent, on the railroad construction jobs to which I gravitated. I advanced through somewhat irregular steps from water boy, car knocker, brakeman, fireman, locomotive engineer, steam shovel engineer to foreman, superintendent, general manager, contractor, and manufacturer. The way was rough but never unpleasant, even though the food in railroad camps in those days would certainly not meet nutritional standards today.

I worked for years with the late William J. Oliver of Knoxville, Tennessee, who was the low bidder for the construction of the Panama Canal after Uncle Sam took over from the French. Although he was a Republican, he came from the wrong side of the Mason & Dixon Line and his bid was eventually thrown out by the Teddy Roosevelt administration even though he met every qualification and could have built the Canal on schedule—despite all of the gigantic slides and other obstructions that slowed the progress throughout the construction period.

When his bid was rejected, I immediately resigned from his employ, in 1907, and after enjoying the white lights of New York City for two nights, I boarded a Panama bound steamer with all of \$1.15 in my pocket. I was a steam shovel crane man and considerably flattered by the new friendship of a steam shovel engineer by whose side I stood on deck as we passed the Statue of Liberty. He promptly borrowed the dollar from me—which remains unpaid after an interval of fifty-one years. (I am still counting on getting back that investment—with 6% compounded interest!) I landed in Panama minus the remaining 15¢ which I had spent recklessly on the five-day trip from New York.

At this point, I began over four years of training as a steam shovel crane man and eventually as steam shovel engineer on that gigantic project—where every problem of construction was encountered—and gleaned experience which has been of great benefit to me throughout the succeeding years.

Working with 50,000 plus employees of many nationalities and colors taught me the absolute necessity of cooperation with the whole team. This stood me in good stead after I returned to the States as a construction superintendent, and later a contractor with my four brothers, two of whom survive and are associated with me in Dempster Brothers of Knoxville, Tennessee, manufacturers of specialized equipment based upon United States patents issued to me, covering material handling devices.

We built railroads, highways, bridges and water supply dams over a long period of years, and stripped coal in Western Kentucky, before developing the *DEMPSTER-DUMPSTER*, which made the "tail wage the dog" and injected us into the manufacturing realm within six months. There, I have labored for over a score of years, and the greatest and most pleasant experiences I have ever had is in meeting top management of the largest corporations throughout the Western Hemisphere and many in foreign countries. From a close study of these important individuals I have found that the most successful ones are those who recognize the capabilities as well as the short comings of their subordinates, to the extent that they can impart some of their wisdom and enthusiasm to help the younger men coming on.

The time is long since past when the autocratic manager can accomplish results by browbeating those he employs. Simon Legree died an ignominious death before the Civil War was won, and that there is no room in management today for the narrow-gauge, autocratic individual who has reached the top bracket—sometimes not because of his own ability, but because of pull and influence, or having married himself into prosperity. It takes cooperation of the deepest degree to make any plant a success in this highly competitive world, and there is no time for browbeating and bickering. Those who have tried it have soon found that the manager who knew how to treat his employees as human beings walked away with the big salary and the greater portion of the business available.

I pay my respects to the Society for the Advancement of Management and to its outstanding accomplishments. I know that any man depending alone upon his own ability, his own energy, and his own education cannot live long enough to succeed unless he follows, to a certain degree, in the footsteps of others who have made a success in the same field, and is willing to have his own thoughts modified to the extent that he recognizes the integrity and the ability of those with whom he labors. Certain it is, in this great society—where working men rub shoulders with the Kings of Industry, the tycoons of our economy—there is opportunity to assimilate and absorb some of the qualifications that have made those men so successful.

It is a great privilege to be alive today, to participate in this great metamorphosis which has such a definite and positive bearing upon the future which is to be. As we portray our slight part in this great drama so rapidly unfolding, we should do so with reverence for those who have preceded us, while beseeching God's blessings upon those who are to follow.

May God continue to bless America.

substance of a democratic society and that we must guard its identity and encourage its growth and fulfillment. Let

us accept this challenge and advance management toward this truly worthwhile goal.

Steps In Determining Effective Administrative Action

by Robert L. Katz

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ALFRED NORTH WHITEHEAD once defined "progress" as "preserving order amid change and change amid order." This definition seems equally suited for indicating the aim of administrative action. Administration is essentially involved with helping the organization to adapt successfully to change—both to the changes in its external environment, which determines the conditions for the organization's surviving and achieving its purpose, and also within the organization, in the relationships among the people who comprise it. These changes in relationships may arise from changes in personnel, changes in the behavior of individuals or groups, or from changes in the work assignments or work flow. Both external and internal changes are constantly occurring in the life of any organization. Dealing with these inevitably changing conditions is the primary function of administration.

A useful guide for any administrator is an orderly way of thinking about his situation and a systematic method of determining action. This paper concerns

itself with the outline of a systematic procedure for determining a course of action in administrative situations in business organizations.

The *BASIC QUESTION* to which any course of action must address itself is this: Will my proposed course of action (1) improve the *present* situation; (2) Have a favorable effect on the *future* activities of the organization (or at least not make subsequent action more difficult); (3) Create no equally serious new problems which have not been provided for in the proposed sequence of action steps? No course of action will ever satisfy all these requirements, but they remain useful guides, nonetheless.

It should be noted that the basic question stated above is laden with "value words" which require some referent to give them meaning. Words like "improve," "favorable," "problems," must all be related to some criterion of what constitutes "improvement" (i.e., toward *what?*), "favorable" (in terms of *what?*) etc. Our criteria are *three-fold*.

This is a preliminary draft of an article and is presented in this form in the hope that it will be useful to present students in the Administrative Practices course at the Harvard Business School. Copyright, 1958, by the President and Fellows of Harvard College.

(1) *Organizational Purpose.* Any organization, to survive and prosper, must adequately perform the service to its society which is its reason for being. In U. S. business organizations, long-run profitability is a crude measure of how effectively purpose is being achieved.

(2) *Member Satisfaction.* Any organization, to survive and prosper, must provide sufficient satisfaction to its members to make them willing to remain as members of the organization and willing to perform the activities necessary to achieve organizational purpose. In U. S. business organizations, employee turnover, grievances, strikes, and productivity are rough measures of the level of member satisfaction. Too much internal conflict results in disintegration of the organization and failure to achieve purpose.

(3) *Individual Development.* Any organization, in order to assure its perpetuation, must provide an opportunity for the individual members to complicate their work lives—to learn how to use and to employ more of their intelligence and abilities, to become the kinds of people *they* wish to be, to maintain and enhance their individuality while improving their relationships to others in their environment; in short, to more completely and more adequately relate

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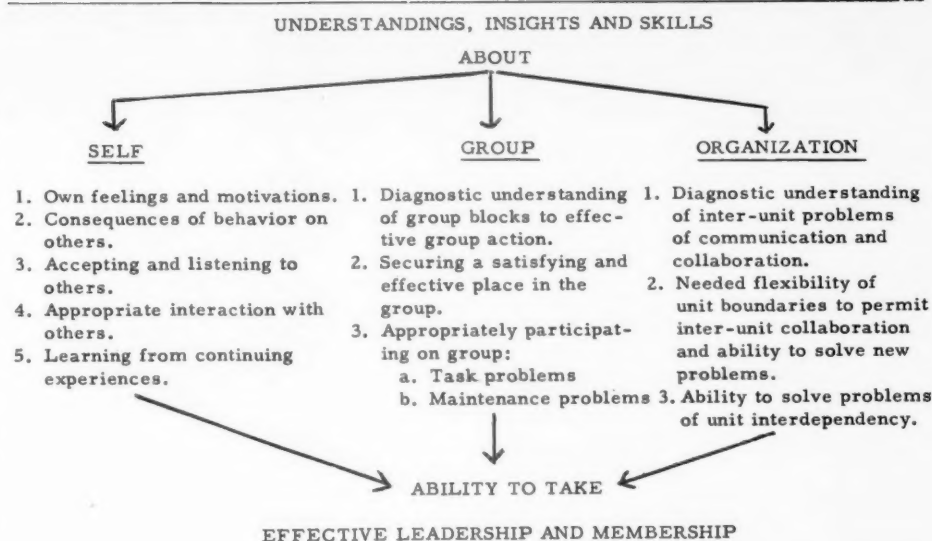


themselves to all of the aspects of the world in which they live. Not all persons in any given organization may desire such development; but, unless the *opportunity* exists, the organization is able to receive only a small part of the contribution which any member is able to make. In time, such lack of opportunity kills off creativity and blocks the emergence of qualified leaders. In U. S. business organizations, the opportunity for development can be crudely measured by the extent to which the individual is permitted to exercise initiative in his work activities (or conversely, the extent to which his activities are strictly circumscribed).

These three criteria have not been chosen arbitrarily. Research in psychology, sociology and anthropology have repeatedly demonstrated that these are the *minimum* conditions for organizational survival and success. Not only must all three be achieved to some extent; but, for long-run success, a *balance* must be maintained among them such that no one predominates the others. Thus the basic question stated above must always be answered in terms of these three criteria.

ANSWERING the *BASIC QUESTION* effectively depends on (a) an analysis of the situation, and (b) accurately predicting the effects of the proposed action on all concerned. Since the administrator can never be absolutely certain on either of these counts, it behooves him to take into account the customs and past relationships in the organization, and, whenever possible, to involve those persons affected in the situation in both the analysis (statement of the problem) and the formulation of a course of action, as a way of minimizing misvaluation, obtaining creative ideas, and providing a means for individual development. Furthermore, the administrator must be keenly alert to the signals which those affected give him as the plan is put into operation. If these signals are adverse, he must be willing to reassess the analysis, the plan, and his own behavior to determine what factors he has misvaluated and why he has miscalculated the reactions of those affected. He must then be willing to revise the course of action in line with his new, more accurate analysis.

Now let us consider what is involved in determining effective action. Whether consciously or not, we always go through a series of logical steps like the ones which follow. Sometimes we skip steps



or, because we go through them unconsciously, we fail to recognize that we have in fact gone through them. The whole process becomes almost automatic over time. Yet, to *improve* our performance, it is useful to consciously go through the steps, looking at each element separately. After each step becomes better understood and its implications become familiar, conscious practice can then make an *improved* thought process largely automatic and, once again, mostly unconscious.

Furthermore, if a person could think through his own organizational situation this way *just once*, then his conscious analysis could provide him with a way of short-cutting the full procedure in analyzing subsequent events.

I. Steps In Determining Action:

1. *Identifying the problem.* (Analysis of the situation)
 - a. What are the *symptoms* which indicate a problem exists?
 - b. What do these symptoms have in common which would suggest an underlying basic conflict?

Assuming that the organization *has* been effective at some point in the past, think back on the time when these symptoms were not strongly manifested and look for:

- i. Changes in the external requirements on the organization which have created pressures on, or conflicts with, the existing patterns of behavior. (Is the present pattern adequate to meet the new requirements for

successful achievement of organization purpose?)

- ii. Changes in the personnel of the organization. These changes may be any of three kinds: (1) changes in who holds specific positions, (2) introducing new people into the organization, or (3) changes in the basic values of any of the people. (Are the values, sentiments, aspirations, and attitudes which they bring with them compatible with the performance of the activities and interactions required of them for achievement of organizational purpose? Is their behavior threatening the values, sentiments, attitudes, etc., of others in the organization?)
- iii. Changes in work assignments or work flow. (Are the new required activities and interactions compatible with the emergent patterns of behavior in the part of the organization which is affected? Do they violate group norms or upset the informal status hierarchy? Do they break up established, comfortable group relationships? Do they go against the external sentiments of the people involved?)
- c. State the underlying conflict(s) which is (are) sufficiently pervasive to have created most of

the symptoms you have identified. *Dealing with this conflict in a way which increases organizational effectiveness is the problem.*

2. *Identify your objectives.*

- a. What are the organization's over-all long-term goals? (How can the work of the persons involved in this situation contribute to advancing these goals?)
- b. What kind of result, consistent with these goals, do you wish to achieve in the immediate or near future?
- c. What kind of long-term target do you wish to set?

3. *Clarify the criteria for your objectives.*

- a. In terms of each of the three conditions of organizational effectiveness (organizational purpose, member satisfaction, individual development), what are the *measurable* or directly *observable* results you wish to achieve?
 - i. immediate or near future
 - ii. long-term
- b. Which of these results are absolutely *essential* to the success of your organization, and which are merely desirable? (Let's concentrate on achieving the essentials. If we can also pick up some of the "desirables," so much the better; but let's not be too disturbed if we don't get them. In this imperfect world, the job of getting the essential results is hard enough!)

4. *Identify the limits of the situation.*

- a. What are the significant conditions in the situation over which you have no possibility of control?
 - i. Competitive, economic, legal, technical
 - ii. Organizational or procedural
 - iii. Physical or environmental
 - iv. Attitudes, aspirations, values, sentiments, norms
- b. List the variables in the situation over which you *do* have the possibility of exerting some influence. (These are the limits within which your action must be taken.)

5. *List the alternative courses of action open to you.*

- a. Determine the possible actions lying within the variables under your control which will favorably affect the conflict you have identified.

6. *Evaluate the alternatives.*

- a. Measure each of the alternatives you have formulated in (5) above against your objectives, and eliminate any alternative that will not facilitate the achievement of the essentials listed in 3(b) above.
- b. Remember that *every* course of action will be imperfect and you will never wholly reconcile all of the elements in conflict without producing new conflicts. Yet some course of action *must* be taken (even if it's to do nothing!), and a less-than-perfect alternative will adequately meet the demands of most situations. Try to determine the things which are important to each of the individuals and groups involved in the situation. On the basis of this analysis, predict the probable effects on each individual and group (including yourself) of each of the various alternatives remaining.

7. *Choose an alternative.* (Make decision)

- a. Select that alternative which, on the basis of its effects on all those concerned (including yourself), seems most adequately to answer the *BASIC QUESTION* raised above. In doing this, you are probably choosing among various negative consequences associated with the positive results you are trying to achieve. Choose that alternative whose negative consequences on you and your organization you personally are most willing to live with.
- b. Check to be sure that you have not changed any of the data and that all steps proposed lie within the area of your influence.
- c. Work out a step-by-step theoretical procedure for carrying out your plan, indicating *who* should do *what* specific acts,

when they should be done, in what sequence, and *HOW* they should be carried out. Detailing the *how* steps may indicate some considerations you might otherwise have overlooked.

And remember: how you do it is frequently more important than what you do.

- d. In actually putting your plan into action, however, issuing detailed instructions runs the risk of shutting yourself off from the creative modifications, by the persons receiving the instructions, which would make the action more appropriate and consistent with the abilities of the action-takers. This kind of behavior stifles individual development and limits you wholly to your own personal resources. On the other hand, not giving detailed instructions can be very hazardous if the recipient is inadequate when left to his own devices. Thus, *the extent to which you do not detail your instructions should be proportionate to the degree of confidence which you are willing to place in the recipient's response.*

These, then, are the basic considerations in logically determining a course of action. They tell you the steps to take but give you little help in actually taking them. There are, however, some propositions that can be stated which may give you greater understanding in usefully applying these steps. Some of the more important ones are listed below.

II. Aids To Analysis Of The Situation

Remember that an *analysis* is a determination of what the situation is and why it is that way. It is *not* an attempt to judge or evaluate what is "right," "wrong," "good," or "bad." These value judgments can only be made relative to your *objectives*, and this is *not* part of an analysis. Objectives and values are essential, however, when it comes to taking action. Action cannot be taken without some values to guide your choice among alternatives. Let's try to keep these two things separate, or they're likely to distort our perceptions in both analysis and action: analysis should be

as free from value judgments as we can humanly make it; action should be taken in terms of values explicitly recognized.

1. Over-all approach

a. Dealing with the situation as it exists:

Remember that each situation has unique features which make it different, to a greater or lesser degree, from anything in your past experience. Try to treat each piece of data in the context of the *present* situation and beware of generalizations and stereotypes based on your experience in other situations with other individuals.

Have you had to neglect items in the data before the situation makes sense or before your course of action appears likely to work out? Have you ascribed abilities to any of the participants which their actions indicate they do not possess? Have you made judgments of what was "good" or "bad" or "desirable" or "undesirable" without identifying the specific causes for *why* things are that way? Are you dealing with *fact*, *opinion*, *assumption* or *perception*? Are you aware of the limitations of each or the differences between them?

When you make assumptions about things for which you have no evidence, are your assumptions consistent with all the known data? Are your assumptions necessary or is it possible to obtain a factual determination? Do you see how you could obtain such facts?

b. Remember that every individual and group involved tends to look at the situation from *his* point of view, which may be quite different from yours. This point of view is *right* for him, and you must accept that this is the way he sees things. Be thinking about what changes you can make in the *situation* which will enable him to see the new situation in a way that is compatible with the things which are important to him.

2. Perception and behavior of participants in the situation.

a. Can you work out, from all the available data about the behavior of each individual (not from one isolated instance) one or more basic underlying attitudes or values or assumptions about himself and about others which would make logical and consistent (from *his* point of view) all of the things each participant does?

(Every individual's behavior is always consistent, from *his* point of view, with the dominant, persistent assumptions he holds about the behavior of others and with *his* beliefs about the kind of person he is. If his behavior appears contradictory or erratic, you have not yet found the assumptions underlying his behavior. It may be that you have insufficient data; more likely, it may be that you are judging *his* behavior in terms of *your* values, not his.) Do you see how each key person in the situation conceives of himself? Can you identify how he perceives the expectations that the others in the situation have of him? *Each individual sees his personal problem in terms of the differences between these two elements.*

(Note that for each person expectations arise around several sets of relationships; viz: Individual—Peer Group, Individual—Boss, Individual—Subordinates, Individual—Organizational requirements, Individual—Ideals of Society, Individual—Outside Reference Groups (family, friends, professional colleagues, etc., outside the organization.))

b. Each group in an organization can be expected to have a self-determined social ranking system and a set of norms, indicating what the group's behavior should be, which are manifested in behavior patterns that are not planned for in the formal organization structure. The groups will always resist external pressures to change these patterns of behavior. Do you see how any changes in required behavior, in technology, layout, etc., have affected these patterns? (*Changes which conflict with*

the social ranking or which violate the group's norms are probably the cause of any unexpected negative behavior by a group.) Can you involve the group in making the required changes for themselves, allowing variation from your predetermined plan? Or can you initiate changes which will *not* disrupt the social rankings or the group's norms?

3. Administrative "Atmosphere."

a. Can you identify the general feeling which exists within the organization and/or within a specific group? Do you see what behavior has created this feeling? Can you see how this feeling affects the things which the participants do?

Remember that a favorable atmosphere (mutual confidence, certainty, and consistency) can sustain bad mistakes without irreparable damage, but that a poor atmosphere (suspicion, fear, etc.) cannot tolerate small errors without increasing antagonisms.

b. Is this an organization (or group) with well-established, stable relationships among the participants, or is there frequent change in personnel and uncertain or unstable interpersonal relationships? In the former situation, you can rely on the established relationships to carry a large part of the administrative load; in the latter, the explicit definition and enforcement of relationships and the encouragement of frequent interactions are necessary until the organization stabilizes.

III. Clues To The Quality Of The Solution

1. Every problem of administration can be conceived of as a problem of reaching and maintaining a minimal compatibility (they don't have to be identical, just not conflicting) of the basic desires of every individual and every group with the behavior required of them to carry out the organization purpose. You can do very little to change the basic desires, but you should have considerable

latitude in determining the required behavior. Your solution should center around changes in the behavior to be *required* of others, as well as changes in your *own* behavior.

2. Is your solution more than a verbal one? Does it involve doing specific things and behaving in given ways? Is it realistic, knowing the characters as you do? Are you trying to change basic attitudes by appealing at a verbal level or does your plan of action accept these attitudes and take them into account? Have you considered the time span over which your plan should operate? Have you dealt with this problem only as it affects legitimate organizational interests, without getting involved in personal, private affairs?
3. How true to life is your solution? Have you seen the negative consequences of *any* course of action? Your position is defensible only if: (a) you can identify the conflicting pulls on your behavior inherent in the situation; (b) you can predict the risks and negative consequences existent in the various alternatives, and (c) you are personally *willing* to live with the discomforts and risks inherent in your chosen alternative. A course of action which has not involved you in these recognitions and choices is almost certain to be superficial and illusory.

DEALING with complex data requires an orderly approach. The foregoing describes one systematic method of determining effective administrative action in situations involving relationships among people in organizations. Obviously it is not the only method possible, nor necessarily the best one, but merely a way of going about things which has been useful to the writer. It is presented primarily to stimulate your *own* thinking and to encourage you to work out some orderly procedures which will be useful to you.

Interwoven with the procedural steps outlined here are some propositions which, on the basis of research to date, appear to be accurate generalizations about organizational behavior. If you do not choose to accept these generalizations, then this whole methodology may seem useless to you. Furthermore, there



My Management Philosophy

by Harold B. Maynard

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WE LIVE TODAY in what has been called a "business civilization." Business affects every individual directly or indirectly. It supplies material products of all types, strength for the defense of our way of life, employment and economic benefits to many, and most important, a philosophy which recognizes the dignity of the individual human being and the obligation to provide conditions which will permit him to develop to the full extent of his capabilities.

Behind business and all of these influences on the individual citizen is management, guiding business towards its goals, formulating policies which affect many people, and making decisions which have far-reaching consequences. And management is made up of individual managers who increasingly have two important characteristics:

1. They manage by the right of knowledge rather than by the right of ownership.
2. They manage as members of a team rather than as individuals.

The importance of the act of managing on the lives of everyone, and the evolving methods used to manage, require that the manager develop at least some of the characteristics of the true professional man. When he accepts the privilege of managing the work of others, he also must accept the professional man's obligations:

1. To be competent.
2. To assume responsibility for the well-being of others.
3. To place service ahead of immediate personal reward.

These personal attributes can be attained only by conscious personal cultivation, but the process can be fostered by careful choice of the proper developmental environment. And in this respect, the environment provided by the Society for the Advancement of Management has always seemed to me to be ideal.

To achieve professional competence, the manager must know a great many things. He must know how to use and apply the many management tools, techniques, and procedures that are available to him. And because new developments are constantly arriving on the scene, the manager must seek to keep current with all worthwhile new ideas.

There is no better place to seek knowledge of both the old and the new in the field of management than at the meetings of the Society for the Advancement of Management. The Society is deeply interested in the underlying principles, procedures, and philosophies on which sound management is based. It recognizes that the act of managing is the common denominator of all organized human activity and its meetings and its publications discuss basic principles which are applicable everywhere.

Furthermore, its meetings provide the opportunity for managers with like problems to come together and learn from one another. An appreciation for the broader responsibilities of the manager over and above his responsibility for the success of the business he serves grows as he comes in contact with others who are themselves pondering the problem of the extent of their over-all responsibilities.

And as the manager comes more and more under the influence of the spirit of service which dominates the society, perhaps serving the cause of the advancement of management by service as an officer or committee member at the chapter or national level, he gains an insight into the satisfactions that come from using his talents and skills in the service of others.

Thus, the Society for the Advancement of Management has played, and is playing, an important part in the development of professionally-minded managers. A growing number of today's top managers participated only a few years ago as active young members in the society's affairs and there caught their first glimpse of what it means to be a competent, truly professional manager. Many younger managers are presently growing and developing within the Society. In the midst of all of the present day tensions and frustrations, the Society for the Advancement of Management continues to point the way toward a better day through the better managing of human affairs. Participation in the Society's activities is a privilege and an opportunity for the individual manager.

is no guarantee that, even if you do accept the generalizations, you will be able to apply these steps usefully. As L. J. Henderson pointed out many years ago, knowledge *about* things in no way assures either good judgment or skill

in dealing *with* them. Judgment and skill are born of faith, perseverance, practice, and active association with the phenomena; and no amount of abstract knowledge can substitute for this intuitive familiarity.

The Organization And Its Communications Problem

by Jay M. Jackson, PhD

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BUSINESS executives, I am told, are very similar to other people: they have communication problems, too. They are concerned, of course, about better understanding among all persons. They are interested in overcoming barriers to communication between members of the public and their own particular industry. They are especially concerned, or should be, about problems of communication within an organization, since business administration by its very nature is a collective enterprise, and people in this profession must spend their days in organized groups, or organizations.

First, I want to discuss some characteristics of all organizations that create communication problems. Second, I shall present some conclusions based on recent research findings regarding the forces which determine the flow of communication in an organization. Next I shall consider the consequences of com-

munication in a number of conditions that often exist within an organization. Finally, I shall attempt to indicate that what we call problems of communication are often merely symptomatic of other difficulties between people.

CHARACTERISTICS OF ORGANIZATIONS

What is it about organizations that seems to make communication especially difficult? An organization may be considered a system of overlapping and interdependent groups. These groups can be departments located on the same floor of a building, or they can be divisions scattered over the face of the earth. Other things being equal, people will communicate most frequently to those geographically closest to them, even within a relatively small organization. Spatial distance itself can thus be a barrier to communication.

Each one of the subgroups within an organization demands allegiance from

Note—This article is based in part on a paper presented at the Seventh Annual Meeting of the Society of Public Health Educators, Atlantic City, N. J., November 10, 1956. It was included in a monograph published by the S.O.P.H.E. for distribution to the public health profession. We gratefully acknowledge permission to present this material to a more general audience.

its members. It has its own immediate goals and means for achieving them. It distributes tangible or intangible rewards to members of the group, based on their contribution to these objectives. When any particular communication is sent to a number of subgroups in an organization, each group may extract a different meaning from the message, depending upon its significance for the things the group values and is striving to accomplish.

The groups in an organization often represent different subcultures—as different, for example, as those inhabited by engineers, accountants, and salesmen. Each occupational or professional group has its own value system and idealized image, based on its traditions. These are guarded jealously, since to a considerable degree they give the members of that group their feelings of identity. Other groups in an organization, based on experience, age, sex, and marital status, have to varying degrees similar tendencies. Each develops along with its peculiar value system a somewhat specialized system of meanings. What is required to communicate effectively to members of different groups is

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a system of simultaneous translation, like that employed by the United Nations. This simultaneous translation must be taking place both within the sender and the receivers of a communication.

It is also characteristic of organizations that persons are structured into different systems of relationships. A work structure exists: certain persons are expected to perform certain tasks together with other persons. An authority structure exists: some people have responsibility for directing the activities of others. The status structure determines which persons have what rights and privileges. The prestige structure permits certain persons to expect deferential behavior from others. The friendship structure is based on feelings of interpersonal trust.

These systems of relationships overlap but are not identical. Each has an important effect upon communication in an organization, by influencing the expectations people have regarding who should communicate to whom about what in what manner. Now, how often do people openly and freely discuss these matters and come to agreement? Since these areas involve ranking of persons and invidious distinctions, they are commonly avoided. Yet disagreements and distorted perceptions about questions of relationship in an organization are the source of many communication difficulties.

What intensifies these communication problems is the fact that relationships among persons in an organization are in a continual state of flux. Personnel losses, transfers, promotions and replacements are occurring. Decisions about new policies and procedures are being made, and often modify peoples' relationships. Some people are informed about changed relationships before others; some are not informed at all. Although it is common practice to communicate decisions to all the persons who are affected by them, the problem is often to determine who are the relevant persons. Unless we are extremely sensitive to the social structure of our organization, it is likely that we shall restrict communication too narrowly. The restrictive communication of decisions about change, however, can be extremely disruptive to any consensus people have about their relationships to one another, and thus can create for them problems of communication.

THE FLOW OF COMMUNICATION

Any solution of a communication problem must be based on analysis of the

particular situation in which the problem occurs, and an application of general principles about communication. It is possible, on the basis of findings from research, to formulate a number of principles about the forces in an organization which direct the flow of communication.

You may have heard at one time or another that communication flows downward all right in an organization; the problem is to get communication from below. This is only partially true. In fact, any generalization that communication flows down, up, or across, is equally false. Communication is like a piece of driftwood on a sea of conflicting currents. Sometimes the shore will be littered with debris, sometime it will be bare. The amount and direction of movement is not aimless, nor unidirectional, but a response to all the forces—winds, tides and currents—which come into play.

WHAT forces direct communication in an organization? They are, on the whole, motivational forces. People communicate or fail to communicate in order to achieve some goal, to satisfy some personal need, or to improve their immediate situation. Let us examine briefly some of the evidence from research which supports this statement.

A study was made of the communication patterns among the personnel of a medium-sized government agency.² Everyone was included in the research, from the director to the janitor. It was found that people communicated far more to members of their own subgroups than to any other persons. They also preferred to be communicating to someone of higher status than themselves, and tried to avoid having communication with those lower in status than themselves. The only exception to this tendency was when a person had supervisory responsibilities, which removed his restraints against communicating with particular lower status persons. When people did communicate with others of the same status level in the organization, there was a strong tendency for them to select highly valued persons, and to avoid those they thought were making little contribution.

Let us see if we can find a principle which explains these results. The formal subgroupings in an organization are usually based upon joint work responsibilities. There are strong forces, there-

fore, to communicate with those whose work goals are the same as one's own. A supervisor can accomplish his work objectives only by having relatively frequent contact with his subordinates: and he probably would like to have more contact than he has. The people in an organization who are most valued for their ability to contribute are those who can give the best information and advice. People seek them out. These findings all seem to point to the same conclusion:

1. *In the pursuit of their work goals, people have forces acting upon them to communicate with those who will help them achieve their aims, and forces against communicating with those who will not assist, or may retard their accomplishment.*

In the midst of one study of a housing settlement,³ a rumor swept through the community and threatened to disrupt the research. The investigators turned their attention to this rumor and were able to trace its path from person to person. They were trying to understand the forces which led people to communicate. Later on they tested their understanding by deliberately planting a rumor in an organization and again tracing its path by the use of informants.⁴ They concluded that people will initiate and spread rumors in two types of situation: when they are confused and unclear about what is happening, and when they feel powerless to affect their own destinies. Passing on a rumor is a means of expressing and alleviating anxiety about the subject of the rumor.⁵

Let us consider one more fact before we draw a general conclusion from these findings. Studies in industry, in a hospital, and in a government agency all yield the same result: people want to speak to higher status rather than lower status persons.⁶ Why are there these strong forces on people to direct their communication upwards? Higher status persons have the power to create for

³ Leon Festinger, Dorwin Cartwright, et al., "A Study of a Rumor: Its Origin and Spread," *Human Relations*, 1948, 1, pp. 464-486.

⁴ Kurt Back, Leon Festinger, et al., "The Methodology of Studying Rumor Transmission," *Human Relations*, 1950, 3, pp. 307-312.

⁵ For an illustration of this in a hospital setting, see: Jay Jackson, Gale Jensen, and Floyd Mann, "Building a Hospital Organization for Training Administrators," *Hospital Management*, September, 1956, p. 54.

⁶ See Elliot Mishler and Asher Tropp, "Status and Interaction in a Psychiatric Hospital," *Human Relations*, 1956, 9, pp. 187-206; Jay Jackson, *Analysis of Interpersonal Relations in a Formal Organization*, Ph.D. Thesis, *Univ. of Michigan*, 1953; Tom Burns, "The Directions of Activity and Communication in a Departmental Executive Group," *Human Relations*, 1954, 7, pp. 73-79.

² Jay M. Jackson, *Analysis of Interpersonal Relations in a Formal Organization*, Ph.D. Thesis, *University of Michigan*, 1953.

subordinates either gratifying or depriving experiences. These may take the form of tangible decisions and rewards, or perhaps merely expressions of approval and confidence. Lower status persons need reassurance about their superiors' attitudes, evaluations, and intentions towards them. We can conclude that:

2. *People have powerful forces acting upon them to direct their communication toward those who can make them feel more secure and gratify their needs, and away from those who threaten them, make them feel anxious, and generally provide unrewarding experiences.*

PEOPLE'S needs largely determine content of their communication to others of different status. There is evidence that subordinates will often be reluctant to ask supervisors for help when they need it, because this might be seen as a threatening admission of inadequacy⁷. And superiors tend to delete from their communications to subordinates any reference to their own mistakes or errors of judgment⁸. I am sure that these findings are in accord with the experiences that many of us have had in organizations.

A third principle which helps us understand the flow of communication is this:

3. *Persons in an organization are always communicating as if they were trying to improve their position.*

They may or may not be aware of their own behavior in this respect. But the evidence indicates that they want to increase their status, to belong to a more prestigious group, to obtain more power to influence decisions, and to expand their authority. It has been said that talking upwards is a gratifying substitute for moving upwards. Persons in an organization who are attracted to membership in a particular department or group will feel inclined to direct much more communication in that direction than will those who do not want to belong to it. If they are excluded or barred from membership and their desire to belong persists, they will increase their communication even further, as if this represented a substitute for actually moving into the desirable group⁹.

⁷Ian Ross, *Role Specialization in Supervision*, Ph.D. Thesis, Columbia University, 1957.

⁸This finding is from an unpublished study of a public utility company by Alvin Zander.

⁹Experimental evidence exists for this statement in: Jay Jackson and Herbert Saltzstein, *Group Membership and Conformity Processes*, Ann Arbor: Research Center for Group Dynamics, Univ. of Michigan, 1956, p. 89; see

"I'm looking for a lot of men with an infinite capacity for not knowing what can't be done."

Henry Ford

In a study of the role relationships of three types of professionals who work together in the mental health field¹⁰—psychiatrists, clinical psychologists, and psychiatric social workers—it was found that the direction, amount, and content of their communication to one another could be predicted largely from two factors. These were: their perception of the other professions' power relative to their own; and how satisfied they were with their own power position compared to that of the other groups. The general principle that forces act on persons to communicate so as to improve their relative position in the organization seems to be supported by all these findings.

THE CONSEQUENCES OF COMMUNICATION

Recent research also has something to tell us about the consequences that communication will have when various conditions exist within an organization. Again we find that it is not possible to state that a particular type of communication will always have the same effect, without specifying the conditions in which the generalization will hold true. At the present time, however, the evidence from research appears to warrant four general conclusions.

1. *The effect of any particular communication will depend largely upon the prior feelings and attitudes that the parties concerned have towards one another.*

Findings from a number of different studies support this statement. During World War II, hostile attitudes and negative stereotypes existed between the inhabitants of a housing project for industrial workers, and members of the surrounding community. An action research project was undertaken, to increase contact between these two groups of people¹¹. It was found, however, that after increased contact the attitudes and feelings of these people had become polarized: those that were initially positive became more positive, and those

also: Harold Kelley, "Communication in Experimentally Created Hierarchies," *Human Relations*, 1950, 4, pp. 39-56.

¹⁰Zander, A., Cohen, A. R., and Stotland, E. *Role Relations in the Mental Health Professions*. Ann Arbor: Institute for Social Research, Univ. of Michigan, 1957.

¹¹Leon Festinger and Harold Kelley, *Changing Attitudes Through Social Contact*. Ann Arbor: Research Center for Group Dynamics, Univ. of Michigan, 1951.

that began by being negative became even more negative. The effect of stimulating greater contact could have been predicted only from a knowledge of the pre-existing attitudes and feelings.

In another study of the communication patterns in a large organization, it was found that increased communication did make people more accurate about others' opinions, but only when they initially trusted one another and already were in considerable agreement¹². When people are in disagreement or do not trust one another, an increase in communication will not necessarily lead to greater understanding.

It was found in another study that frequent communication among personnel made working for the organization either more or less attractive for them. The mediating factor was whether or not the persons who were in constant communication valued each others' contribution to the work of the organization¹³.

2. *The effect of any particular communication will depend upon the pre-existing expectations and motives of the communicating persons.*

EXECUTIVES of a large organization were asked to indicate on a checklist how much time they spent with each other, and the subject of their interaction¹⁴. In one-third of the answers they were in disagreement about the subject of their communication. For example, one reported that he had been discussing personnel matters with another; the latter thought they had been discussing questions of production. When these executives differed, each assumed that the problem with which he was personally most concerned was what they had really been talking about.

The subjects of this study were men with an engineering background. They consistently overestimated the amount of time executives spent on production matters and underestimated the amount of time spent on personnel problems. The impressions their communication made upon them had been shaped by their own goals and motives.

¹²Glen Mellinger, "Interpersonal Trust as a Factor in Communication," *Journal of Abnormal and Social Psychology*, 1956, 52, pp. 304-309.

¹³Jay Jackson, op. cit.

¹⁴Tom Burns, op. cit.

From this and other studies it seems clear that the consequences of communication are limited by people's interest in achieving certain effects, and lack of concern about achieving others. They will be inclined to remember and feel committed to those decisions which are consistent with their own expectations and motives.

3. *The effect of a superior's communication with a subordinate will depend upon the relationship between them, and how adequately this relationship satisfies the subordinate's needs.*

Communication between superior and subordinate often has consequences which neither of them anticipates nor welcomes. It is especially difficult to avoid problems of misinterpretation or ineffectiveness in this area.

In one organization it was found that some employees who received frequent communication from their supervisor became more accurately informed about their supervisor's real attitudes; but this was not true for other employees who also had constant contact with their supervisor¹⁵. The difference was traced to whether or not a supervisor said he trusted his subordinates. When he did not trust them, he was more guarded in what he said to them, revealing less of his true feelings. A lack of trust between superior and subordinate can thus act as a barrier to the creation of mutual understanding.

WE have discussed how people's need for security directs their communication toward higher status persons in an organization. A study was conducted in a public utility company¹⁶, where it was possible to vary experimentally the kind of communication supervisors gave their subordinates. People became anxious and threatened in response to two different conditions: when communication from their supervisor was unclear, and when the supervisor was inconsistent in what he said from one time to another.

We have also pointed out that the persons in an organization tend to communicate as if they were constantly attempting to improve their positions. This is consistent with the finding that the experienced employees in an organi-

Life consists not simply in what heredity and environment do to us but in what we make out of what they do to us.

Harry Emerson Fosdick

This time, like all times, is a very good one if we but know what to do with it.

Emerson

zation resent close supervision¹⁷, since it implies that their power and prestige are less than they want them to be.

The study of the senior staff members in a British engineering plant, referred to earlier, led to the discovery of a process of "status protection." When these men received instructions from their superiors, they often treated them as merely information or advice. In this manner they in effect achieved a relative improvement in their own position in the authority structure, by acting as if no one had the right to direct their activity.

Thus the findings from laboratory and field research point unequivocally to the supervisor-subordinate relationship as one of the crucial factors determining the effect of a supervisor's communication to subordinates. Another major factor is whether or not the subordinate stands alone in his relationship to the supervisor, or belongs to a group of peers in the organization.

4. *The effect of a superior's communication with a subordinate will depend upon the amount of support the subordinate receives from membership in a group of peers.*

An experimental study has demonstrated the remarkable effect of belonging to a group of equals on a subordinate confronted by a powerful and directive superior¹⁸. Being a member of a group decreased a person's feelings of threat and freed him to disagree with his supervisor and make counter-proposals. The person who had the moral support of membership in a group reacted to his supervisor's communication with less defensive and more problem-oriented behavior.

There is a considerable body of evidence, too, that a group acts as a source of "social reality" for its members, providing them an opportunity to vali-

date their ideas and opinions¹⁹. When communication from a superior is directed to a group as a whole rather than to isolated individuals, it is likely that more accurate transmission of information will be achieved.

PROBLEMS OF COMMUNICATION ARE OFTEN SYMPTOMATIC

From our discussion thus far, I think it should be clear that what we call communication problems are often only symptomatic of other difficulties which exist among persons and groups in an organization. To summarize what has been said or implied, I should like to point to four problems which people in organizations must solve in order to overcome barriers to communication.

1) *The problem of trust or lack of trust.* Communication flows along friendship channels. When trust exists, content is more freely communicated, and the recipient is more accurate in perceiving the sender's opinion.

2) *The problem of creating interdependence among persons: common goals and agreement about means for achieving them.* When persons have different goals and value systems, then it is especially important to create mutual understanding about needs and motives.

3) *The problem of distributing rewards fairly, so that people's needs are being met, and so that they are motivated to contribute to the over-all objectives of the organization.* Nothing can be so restrictive of the free flow of ideas and information, for example, as the feeling that you may not obtain credit for your contribution.

4) *The exceedingly important problem of understanding and coming to common agreement about the social structure of the organization.* I can think of nothing which would facilitate more the free and accurate flow of communication in an organization than consensus about questions of work, authority, prestige, and status relationships.

¹⁹ See, for example, Jay M. Jackson, and Herbert D. Saltzstein, "The Effect of Person-Group Relationships on Conformity Processes," *The Journal of Abnormal and Social Psychology*, (in press).

¹⁷ This finding is from an unpublished study by Jay Jackson, Jean Butman, and Philip Runkel of the communication patterns and attitudes of employees in two business offices.

¹⁸ Ezra Stotland, "Peer Groups and Reaction to Power Figures." A chapter in Dorwin Cartwright, et al., *Studies in Social Power*. Ann Arbor: Research Center for Group Dynamics, Univer. of Michigan, (in press).

¹⁵ Glen Mellinger, op. cit.

¹⁶ Arthur Cohen, "Situational Structure, Self-Esteem, and Threat-Oriented Reactions to Power." A chapter in Dorwin Cartwright, et al., *Studies in Social Power*. Ann Arbor: Research Center for Group Dynamics, Univer. of Michigan, (in press).

Road Blocks To Company Growth

by Allison V. MacCullough

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OF all the problems related to long-range planning of company growth none have been more engaging or more troublesome than those of Organization Planning and the staffing of the structure. Many companies have ventured into long-range planning and major expansions with full knowledge of most of the factors involved, such as finances and capital requirements, engineering and research "know-how," the demands and size of their market and knowledge of their competition. There is increasing evidence, however, that the challenging growth objectives of many companies are not being met due to organizational requirements that are not fully understood or anticipated.

EXAMPLES OF FAILURE

Perhaps a few illustrations may be in order. In each of the following cases the goals of a company were not reached due to the lack of long-range planning in some of its aspects. First, the officers of a large corporation recommended to their Board of Directors that an additional plant be erected. Their proposed expansion of production facilities seemed justified. There was an undeniable market for their product; the pro-

posed location was ideal; sources of supply were good; the labor situation was promising; transportation facilities were superior and there was a sufficient quantity of the right kind of water which was required for the manufacturing operation. But the Board refused authorization, for it was found that the new plant could not be staffed with Management and Supervisory personnel without dangerously robbing the other plants of the corporation. Here, a sheer lack of management personnel prevented company expansion. This company not only lacked an inventory of management personnel—e.g., a known reserve of such people—but more seriously, lacked the attitude or means for developing executives.

Next, the President of a financial institution made public announcement of its plans to expand the number of its branches by thirty percent within a five year period. In this case, as in the previous one, the market existed, their financial resources were adequate and other factors were favorable. But within two years the expansion plans were abandoned due to failure to have an adequate reserve of qualified managers to staff the new branches and to enlarge

their headquarters organization. The deficiency in this instance was qualitative more than quantitative.

The third concerned the President of a holding company with about fifteen subsidiaries. He had always held rather tight control over them. Facing the prospect of three or four more acquisitions, he became intrigued with the idea of decentralization. With no preparation or warning, he announced at a meeting of all the General Managers that "decentralization" was now company policy. At this meeting he told each General Manager to run his own company in almost an autonomous manner. However, his idea of decentralization did not work and he was forced to continue his personal direction of each of the companies.

The President's labors were multiplied for he did not understand the nature of delegation or what or how to delegate. In this case, the company growth was thwarted for the General Managers had never been trained in strategic decision-making, although they were skilled in making tactical decisions; and also to the lack of management controls. Additionally, the absence of appropriate policy forced the General Managers to refer too many questions "top-side," just as in the old days. This President, like others, learned the hard way, among other things, that the geographic aspects of decentralization were of relatively minor importance.

Another President complained that with the growth of his company, there had been a corresponding increase in politics and personal bickering. A gradual rehuffling of responsibilities had occurred and new positions created. But

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top management had failed to provide clearcut objectives and definitions of duties associated with the many ever-changing positions. There were voids and overlappings within the organization; toes were "stepped on," feelings hurt, the inevitable political warfare followed and company growth was impeded.

Finally, we have a President who refused to go outside his own company to staff his organization. He tolerated no exceptions to the policy of promoting from within. Even though his men were developing "under forced draft," increased responsibilities came to them before they were ready. The resulting organization weakness could have been avoided if he had used the professional services of a consulting firm which specializes in executive recruiting.

CHANGING POSITION REQUIREMENTS

But perhaps the greatest difficulty is experienced when organization requirements are not determined for the future. There seems to be two facets to this hypothesis. There is a reluctance to admit that management position requirements are in a constant state of flux. Not long ago a Vice President of a large company who plans on retiring in five years was discussing his views as to his probable successor. He had three subordinates in mind, any one of whom, he felt, could take over his responsibilities when the time came.

But when asked to describe his position five years hence, he proceeded to outline the nature and degree of his present responsibilities, implying that they would remain constant for the next five years. Presumably, he also meant that they would continue to remain the same for the next decade or two. Yet this Vice President finally admitted that his current responsibilities did not even faintly resemble his tasks when he undertook them in 1945. His responsibility for physical plant had increased many fold; he now had five times as many people on his payroll, and his business interests now included Europe, South America and Australia. He also admitted that he had been forced to improve the quality of his own administrative skills—that the act of management today is quite a different thing than it was at the end of the war when he assumed the position.

As a result of this type of thinking the Vice President formulated a statement descriptive of the requirements of the position as he envisioned it five

years hence. Next, he drew up a rough statement of the man-specifications that would be needed to meet the requirements of the position in 1963. He then made an interesting confession, by stating that he now felt no one of the three subordinates was nearly ready to assume the responsibilities of the position, and that the informal plans he had for their growth were entirely inappropriate to the revised task. He further stated that his private ranking of the three men was now reversed, and the one he thought was the best prospect was now the poorest.

CHANGING ORGANIZATION STRUCTURE

The second facet to the hypothesis has to do with the structure of the organization. As the company grows there seems to be a desire to add to the established functions of the organization rather than to creatively think through a new grouping or re-arrangement of responsibilities. This failure is apt to create an awkward arrangement. It reminds one of the New England farmhouse which, as the family increases in size, has a room added on to the rear of the house, and then another room added on to that, and so on over the years, until the periodic additions constituting the "ell" are often larger than the original house. The principal characteristic of such an architectural monstrosity is not its size, but rather the inefficiency of its arrangement. And so it is with the organization structures that are merely added on to rather than reshaped to meet the current and future needs.

In one case the manufacturer of heavy machinery desired to expand the most profitable part of its business which was the sale of replacement parts. The competent young man in charge of Parts Sales had made a rather accurate measure of the market and outlined a plan for successive alterations of his organization structure. These projections seemed quite realistic even though conservative if the company was to win a larger share of the expanding market. Yet his boss, a Vice President of the company, after reviewing the thinking of his subordinate as expressed in a series of charts showing organizational projections, refused his approval even to undertake the first step. His stand did not reflect any disagreement as to the magnitude of the opportunity, the need for an immediate change in organization or the logic of this particular plan. While this Vice President could plan

other aspects of his work, he balked at planning the structure, acting as if it were inviolate.

He asked that one position at a time be added, as in the case of the New England farmhouse. This refusal completely thwarted any effort to prepare men for enlarged and varying responsibilities which inevitably were going to occur. The promising men in this department remained unprepared and the head of the department continued to have, over the years, a major problem of staffing his expanding organization with qualified men, with the result that their share of the market continued to decrease.

Undoubtedly, many of the difficulties found in the above mentioned experiences involving long-range planning could be directly traced to an inadequate and primitive concept of Organization Planning and Management Development and to see the relationship between them.

QUANTITATIVE ASPECTS OF ORGANIZATION NEEDS

Executives, like others, have numerous "blind spots"—sometimes known as "Executive Myopia". For instance, it is a rare executive who can accurately recall the number of vacancies which have occurred in his organization during the last five years. He is apt to forget half of those who have resigned, been terminated, retired either under normal conditions or prematurely and those who have died from accident or sickness. Nor will the average executive recall with accuracy the number of new positions which have been created during any given time. A projection of such figures into the future is often a startling experience. And when one adds to this figure the number of new positions to be created to meet the demands of the business we begin to have a picture of the quantitative aspects of the problem of staffing an expanding organization. And to complicate the problem, yet at the same time being realistic, let us remember that to fill one upper-level position from three to seven promotions are usually required. But the qualitative aspects of the problem are even more engaging. The nature of the management job has changed over the years, and will continue to change and be refined. Management is a rapidly evolving profession and the day of "flying"—or should we tritely say "managing by the seat of the pants"—is gone. While the type of man who makes the good executive may not be changing radically, the

required arts and skills of a good manager are multiplying rapidly and becoming more complex. Add to this the recognition that in demanding increasing functional specialization we are only broadening the gap and making more difficult the transition from the role of the functional or technical specialist to that of the generalist.

COMPOUNDING difficulties of the executive job are the outside forces such as "big government," "big unions" and "big business" along with the pressure of social, political and economic forces from within this country and around the world. Today's executive must truly be a "world citizen" and knowledgeable of world affairs and forces. No wonder, then, that in one of these illustrations the Vice President revised his estimate of what qualities and characteristics would be required in his successor.

The recognition of such latent qualities requires the operation of some kind of management "Geiger counter." Whether it is called an Appraisal, an Evaluation or a Performance Review makes no great difference. But emanating from the process must come a comprehensive understanding of the individual executive. This understanding must be had by both the Appraisal group and the man himself. A "Plan of Action" for his growth will result. This Plan is realistically related to the objectives of the company and himself and to the requirements of his present position and that position toward which he may be headed. Such a Plan of Action should be based on the recognized needs of the company and the individual and encompass the answers to such questions as the "What, Why, Where, When, Who and How" of their solution.

CHANGING MANAGEMENT REQUIREMENTS

In the thought that it may contribute to an understanding of this vital step, there follows such a Plan of Action for a promising young executive in a nationally known company. This man, whom we shall call Charles Brown, age 35, has for five years been Production Manager of a plant employing 3,500 people. This is the largest of several plants of the XYZ Corporation. This manufacturing company sells directly to dealers all over the country, achieving its distribution through a system of strategically located warehouses. His immediate supervisor, the Assistant General Manager, is Mr. White, while the

We shall not remain truly free and powerful unless we compensate, to the fullest possible extent, for lack of material resources within our own borders. Applied to this problem, brain power can devise ways of extracting at reasonable cost the considerable store of low-grade minerals and fuels remaining to us which we are not utilizing today because of excessive costs in time and labor.

Rear Admiral H. G. Rickover, USN

General Manager we will name Mr. Black.

Mr. Brown, the Production Manager, is thought of as a man of considerable promise and is in line for promotion within two or three years to the General Managership of one of the smaller plants in the company. The company has used annual executive appraisals for three years. This Plan of Action was developed as the final step in this procedure. While the Plan of Action is not a perfect job, it is good and those who are responsible for it—Mr. Black, the Director of Education and, of course, Mr. White and Mr. Brown—are to be complimented.

A PLAN OF ACTION

Each "Reason for Action" was identified in the Appraisal procedure and by Mr. Brown also, for he engaged in a self-appraisal. This first item of "Reason for Action" reads as follows: "Apparent inability and reluctance to delegate." The Plan of Action to correct or improve this condition follows:

"Attend course in Administrative Functions at College if it is again offered one night a week. Mr. White will enquire about it at once and secure authorization by October 1st. If the College course is not available before the winter I would like to join others within the company in an in-company course meeting one night a week. Mr. White will make arrangements with the Director of Education.

In either case I am to study chapters three and four of Jones' book "Management Fundamentals" and section three of Smith's book "Administrative Practices." Mr. White will secure these for me from our Management Library within one week. These readings are to be discussed at length with Mr. White prior to December first. Mr. White will closely observe my actions and review with me weekly my successes and failures in respect to delegation."

The next "Reason for Action": Need to know my people.

Proposed solution: "I am to secure

and read their personal histories to be found in the files of the Personnel office and make a summary of them for my personal use. I am to keep such notes up-to-date. I am to engage these people in more frequent conversations; to learn what they are reading and studying and what their outside activities are—looking especially for evidence of active leadership and participation in civic or social groups."

Reason for Action: To develop appreciation of the problems and operation of our Sales Department.

Proposed solution: Mr. White will arrange for me to spend two one-week periods on the road with our salesmen, calling on the trade. One additional week will be spent at Sales Headquarters in New York to observe the work and relationships of Sales, Marketing Research, Product Development and Advertising.

This is to be done at the convenience of the Sales Department, and as soon as I can prepare a man to cover my position during my absence. It should be completed by the first of December. When finished, discuss my observations and conclusions with Mr. White and my own group.

Reason for Action: To overcome my self-consciousness while speaking to a group.

Proposed solution: In the early winter enroll in an organized activity such as the Toastmaster's Club, a college public speaking course, a Dale Carnegie course or one offered within the company. The Director of Education will advise me as to the best one to fill my needs and handle enrollment and payment of fee.

Immediate action: before making any remarks before a group, I will place in writing a plan of what I want to say which will serve as an outline of my points while I am speaking.

Reason for Action: A greater ability and willingness to communicate.

Proposed solution: I am to attend a three-day Seminar on "Communications." The Director of Education will



Reports...

ON ITS MANAGERIAL DEVELOPMENT PROGRAM IN FINLAND

THE COUNCIL is delighted to report that the first phase of the managerial development program it has carried out for the past four years in Finland is drawing to a successful conclusion. Under the program, American management experts recruited by the Council have successfully trained a large group of Finnish consultants who are now prepared to take over the work of counseling Finnish business leaders. As a result of the interest in managerial development created by the work of the Americans and their Finnish counterparts, an Institute for Advanced Management Training has been formed. This Institute, which will initially offer courses for young managers with five or ten years' business experience, is now operating under the joint auspices of Finland's three leading universities—the Swedish School of Economics, the Finnish School of Economics, and the Institute of Technology. After a two-year trial period, the Institute will be inaugurated as an independent entity. During its first two years, an exchange of professors between the U.S. and Finland will take place under a program made possible by a grant from the Ford Foundation. The organization and curriculum of the Institute are based on very thorough research into similar institutions in Western Europe and the United States, and it has the support of Finnish business executives who have advised on its organization and will participate in the direction of its programs.

ON AN INTERNATIONAL SURVEY IT IS MAKING

The Council is now beginning a survey of international managerial assistance programs carried on by both governmental and private organizations. This survey, designed to be completed in a year, will provide the only source of reference on what is being done by the numerous countries and agencies

S.A.M. is a charter member of the Council for International Progress in Management, the American non-profit, non-political organization devoted to the practice of scientific management on the international level. CIPM is in turn a member of the international Committee of Scientific Management (CIOS) which represents the organized management societies of twenty-six nations.

engaged in some form of international assistance in the management field. The survey is being carried out with the support of the Ford Foundation.

ON AN INTERNATIONAL MANAGEMENT ESSAY CONTEST

Next month the Council will be the host for the winner of an international management essay contest conducted for the graduate students of the International University for Social Studies "Pro Deo" in Rome. The subject of the essay will be: "Should There Be a United Europe, and What Contribution Can the United States Make Thereto." The winner will be flown to this country by Pan American World Airways and will spend two weeks here, examining the operations of management associations, visiting industrial firms, and talking to members of the staffs of various government agencies in Washington. The second prize winner will be awarded a week in Paris under the auspices of Time-Life International, which will provide a program of indoctrination in American media techniques.

The International University for Social Studies "Pro Deo" in Rome uses American teaching methods and textbooks. Its program is based on the belief that free enterprise is a proven system for achieving economic and social progress and that if future leaders are trained to apply new insights of industrial management and social sciences to the problems of their respective countries, many conflicts will be avoided. Its educational program is shaped by an inter-religious Board of Trustees and Faculty—151 professors from 11 countries. Its students, representing 28 countries, embrace the Christian, Jewish, Moslem, Hindu and Buddhist faiths; and the institution itself receives guidance from an American Council made up of Catholics, Protestants, and Jews.

Jane Dustan
CIPM Editor

arrange details for attendance at the earliest opportunity and notify Mr. White and me.

Once a week, possibly on Fridays, I am to review my actions with Mr. White, who during the week will attempt to observe me closely. I will try to tell him in detail how I handled each situation and opportunity. This is to start at once and continue until both of us agree to discontinue the practice. If Seminar enrollment is not immediately possible, the Director of Education will suggest some readings for my use and I am to discuss my reactions to them with Mr. White.

Reason for Action: Needed, a greater understanding of the Principles of Organization.

Proposed solution: Attend a course in this subject, either in-company, at a local S.A.M. chapter's Management Education Seminar, or at a college of Business Administration. The Director of Education will handle details for me and notify Mr. White.

Immediately, the Director of Education will select some readings on this subject which I will study and subsequently discuss with him. All of the above to be completed by March 1958.

Reason for Action: Lack of broad view of the total business enterprise and of the functions of management.

Proposed solution: I should plan on attending a short-term university program—four to eight weeks—next sum-

mer. The program should provide me with a broad view of business and the nature of administration and the relationship of administrative functions.

Select my temporary replacement by the first of April and prepare him and the staff for my absence which, combined with vacation, will take me away from the office for eight to ten weeks.

It should be remembered that this is an actual Plan of Action for a real man. As an example, it is not perfect. It makes no reference to many effective means for the development of an individual such as job rotation, temporary assignments of one kind or another, and many aspects of coaching by the "boss" are not mentioned.

Experience has shown that the "Achilles Heel" of many long-range plans for company growth is its failure to have such a detailed plan for the growth of each individual. Any Plan must have the whole-hearted concurrence of the man himself, if he himself is not the author of it. It is commonplace for companies to become so completely absorbed with the Appraisal and its many incidental values that they fail quite miserably in developing a realistic, practical and yet creative plan for the individual in the creation of which the man himself is an active participant.

DEALING WITH CAUSE AND NOT THE EFFECT

In too many cases companies, and individuals too, are content to deal with the effect of a personal deficiency and not the cause. They fail to probe beneath the surface and explore the reasons why a man acts and reacts the way he does. For instance, there was the case of a man who was observed constantly moving about the office. Every half hour he would walk somewhere—to the files, to the water cooler or coffee dispenser, to his secretary's desk or into a neighboring office. It was decided that perhaps he was a misfit, that he was not interested in his work and, therefore, ought to be transferred to another type of work. In any case, his supervisor was to speak to him about this apparent lack of interest, and either censor him or suggest a transfer.

The ensuing discussion with the man by his supervisor revealed that the suspicions of the Appraisal group were completely ill-founded. Instead of "bawling out" the man for his inattention to duty they should have been sympathetic with him, for he had a physical disability that made it painful for him

to remain sitting or in one spot for more than half an hour.

And, again, a certain middle-management executive was thought of as inept in human relations. The evidence was that those who reported to him didn't like him and didn't like to work for him. His Appraisal Committee was about to suggest that he take a few courses in Psychology when a more thoughtful analysis of the situation revealed that his troubles were entirely based on his failure to understand and practice a few of the Principles of Organization. Personal insistence by the "boss" that he "get along with his people" would never have solved this problem!

REQUIREMENTS OF DECENTRALIZATION

The third and final observation of the difficulties encountered by the companies attempting to fulfill their growth objectives deals with decentralization. We do not have the space here to discuss the nature of decentralization, or to review the "pro's and con's" of its theory and practice. However, I would like to identify three of the elements of decentralization which seem to be the cause of considerable discomfort, namely: Controls, Policies and Delegation.

Perhaps the point can most easily be made through the use of an illustration. To begin, we have Walter Jones, Vice President of Manufacturing of a centralized operation of considerable size. Within the city and nearby communities were six plants, the Managers of which reported to Jones. For many years these Managers met with Mr. Jones at 8:30 each morning for, as he called it, a "run-down" of the day's work. Each man reported the essential facts of the previous day's operation and commented upon the work and problems of the current day. The meeting was essentially a communications device which enabled Jones, by the nodding of his head or a frown, to express approval or disapproval.

ALWAYS during these years Jones would have stated that he was "giving the men their heads." In support of this position, he would cite the fact that he rarely visited the plants. And I believe we might agree that he had an effective type of control and that policy formulation was pretty much of a personal and subjective matter, easily communicated from the Vice President to the Managers.

But the day came when Walter Jones resigned and became Vice President of

manufacturing of a larger and completely decentralized company with production facilities scattered all over the United States and even abroad. To overcome a bad case of frustration, Mr. Jones had to learn as quickly as possible—although it took him nearly two years to do so—what it meant to really and honestly delegate. For the first time in his life he had to think "policy-wise" and effectively convey his thoughts to his General Managers hundreds or thousands of miles away, in order to provide them with adequate guidance. The factor of accountability came to the fore and Jones was forced for the first time to develop managerial controls, objective in nature over the entire production organization. Finally Mr. Jones had to learn the nature of delegation and where delegation starts and stops.

Nearly every organization that undertakes the change-over from a centralized to a decentralized type of organization goes through a difficult time. It is often referred to as "the shake-down" period. The greater the unpreparedness for decentralization, the more devastating the upheaval and confusion. And most companies act as if it is an inevitable price that must be paid.

Sometimes it is the President and his closest associates who are unprepared for the full impact of decentralization. More often, however, these men seem to understand how they personally must operate under decentralization, but have failed to grasp the impact of decentralization on the operating heads of various parts of the business.

RE-APPLICATION OF CRITERIA

There are certain questions or criteria which are commonly applied to any organizational arrangement such as the following:

- Is the Span of Control proper?
- Are there too many organizational levels for good communications?
- Is there a proper use of committees and assistants?
- Are Management Controls appropriate?
- Are policy statements adequate?
- Is good coordination and integration "built in" to the structure?
- Is good planning provided for at the proper levels?

In a centralized operation the answers for each may be in the affirmative, yet the same company, in converting to a decentralized operation, may have to

revise its procedures in respect to each, if the answers are to remain affirmative. It is too much to hope that completely satisfactory answers may be expected under either type of organization. The important point is that a balance must be achieved among them and that balance will not necessarily be the same under varying types of organization.

Not only does a decentralized operation require more men with managerial abilities, but such abilities must be of a higher order. Failure to prepare managers for this type of change-over, as it effects them and their subordinates, has made many of them fearful of the transition period of decentralization in general. While the organizational difference between the two can be indicated on an organization chart, and in an organization manual, the real differences are in a new philosophy and the manner of operation. Too often, executives—both top-management and operating management—are not fully prepared.

IT is tragic to witness a growing company seek to maintain or even increase its administrative efficiency through decentralization and achieve little but confusion. But it has happened time and again and will continue to happen until the management personnel involved have become knowledgeable of and skilled in the arts of Administration. They must come to see the direct relationship between individual productivity and good organization structure and administrative practices.

I admit executives find themselves in an ironical situation. Most of them occupy positions for which their training has been inappropriate. In all likelihood they were trained to work as chemists, accountants or craftsmen. Their training was in inverse ratio to the demands of the executive task. Until recently the executive had to learn the real "know-how" of management through the costly trial and error effort of everyday experience. There is increasing evidence that education cannot stop with school and college and that management education, broadly conceived, is the principal guarantee of the success of our business and industry.

The growth of business requires an understanding of the organizational and administrative implications of expansion. This appears to me to be one of the most neglected areas of all those involved in the enlarging economy of our country, and the growth of companies. ■

S.A.M Engineer Honored

George A. Sievers, National Director of the Society's Milwaukee Chapter and Chairman of the S.A.M National Activities and Policy Study Committee, was recently named "Engineer of the Month" by the Engineers Society of Milwaukee. The following is a testimonial to Mr. Sievers, to commemorate the event, published originally in the journal, Milwaukee Engineering.



GEORGE A. SIEVERS

IN THE early post World War I years, a 21-year-old German lad, educated at Heidelberg in arts and sciences and seeking escape from the economic chaos then ravaging his homeland, sought new horizons. He visited relatives in Eau Claire, Wis., on his way to China; liked the forthright way of the American citizen; decided that this, not China, was his new horizon; stayed to apply for American citizenship, and shortly afterwards sent for Florence Thoeke, lifelong sweetheart, and destined to be his bride.

China's loss, Germany's loss, was Milwaukee's gain, America's gain.

George A. Sievers, son of a German postal clerk, trained in philosophy, psychology, mathematics and languages back in his homeland, liked people. He saw opportunities in the industrial growth of twentieth century America: large factories, production machinery, expanding labor-management problems. To train himself for his present avocation, he worked with his hands, as night foreman, shop superintendent and chief engineer.

EMPLOYMENT FURTHERS GOAL

Through his employment in such companies as Hamilton Standard Propellor Corporation, Harnischfeger Corporation, the Falk Corporation, Line Material Co. and Galland-Henning Mfg. Co., George Sievers (now Dr. George A. Sievers, M.Ps., Ph.D., P.E.) had one goal in mind: to complete his studies in human behavior both of labor and of problems that motivate executives at work. He studied personnel problems, administrative and public relation problems, finance, labor, law and economics. He received a diploma in electrical engineering at the University of Chicago and since has taken many special courses at the University of Wisconsin, Milwaukee Institute of Technology and others, in engineering, law and accounting.

His industrial internship completed, our engineer founded the Industrial Engineering Institute in 1947 and has been in private practice ever since.

He serves industry and business as consulting psychologist and vocational

counselor to young people and executives alike.

As president of the Industrial Engineering Institute, Inc., our engineer provides professional engineering services to industry, drawing from his staff of over twenty engineers, designers and management consultants.

The Bureau for Professional Employment, Ltd., was a natural outgrowth of these services. A licensed Wisconsin agency, the bureau places and procures professional people and executives with emphasis on engineering positions. Son John W. was the director of this activity until his untimely death in June of this year.

Dr. Sievers is a faculty member of the University of Wisconsin, Madison; teaches in the graduate program of the College of Engineering here in Milwaukee. He most thoroughly enjoys holding clinics with the junior executives in his management courses. These three-hour sessions are often so challenging, so stimulating, that the usual 5-minute recesses pass unnoticed.

GIVES ADVICE TO YOUNG

The good Doctor effuses, especially when he is giving advice to young folk or discussing some favorite topic such as the philosophy of religion, the universe or a problem in father-daughter relationship. Dr. Sievers likes people—and people like Dr. Sievers. He looks the part of learned counselor, friend, teacher. His residual Germanic accent adds seasoning to his dissertations. His verbal articulations are excelled only by his gestures, gestures so natural, so tying in and accentuating his words, that you find yourself wondering how anyone (yourself included) could talk without hands.

The Doctor's background, training and expressability are teammates when the Wisconsin Industrial Commission calls on him to help settle labor disputes.

Our engineer's technical society affiliations are myriad:

AIEE, SAM, WSPE, NSPE, ASEE and our own ESM.

He was president of the Milwaukee chapter of WSPE in 1954-55 and served as director of the state society from 1951 to 1953. Chairman of the State Ethics and Practice Committee during 1949-53, he has been chairman of the State Board of Ethics and Practice since 1950.

He has been Fellow and National Director of the SAM since 1952. He is a member of the American Ordnance Assn., American Society for Public Administration, Industrial Relations Assn. of Wis. and the Milwaukee County Society for Mental Health.

Dr. Sievers is no mean engineer; he has been granted several letters patent in the field of dynamic balancing and on a prefabricated aluminium shelter and marquee. He founded the Aluma-Quee Corp. for the building and licensing to build these marquees. He has authored many articles on professional development, engineering ethics and training. He is lecturer and writer (Columbia and Marquette Universities, the University of Illinois and University of Wisconsin).

ACTIVE IN LOCAL CLUBS

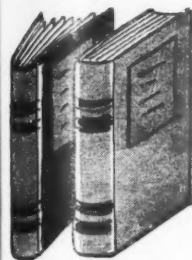
Our engineer is active in the Milwaukee Kiwanis and Athletic Clubs and is a member of the Milwaukee Association of Commerce. He is a Mason and belongs to Shrine Temple.

The Doctor was active in squash and fencing at college. He likes to work out at the club, fishes when he finds time. This fall a group of close friends are dragging him off on his first hunting trip in some twenty years. In June of this year the Doctor was honored by membership in the National Association of Accredited Psychologists (Houston, Texas). "Who's Who" has listed him generously in the last two volumes. The University of London, England, deemed his thesis *cum laude* and conferred upon him the honor of Fellowship in January, 1958. He received conferment on his recent trip to Europe in October of this year.

Dr. George A. Sievers is devoted to helping young people find adjustment to life and problems in their choice of profession or avocation. To the engineer apparent he says:

"The young engineer can achieve higher job satisfaction and professional accomplishment if he has a secondary, auxiliary profession. This he must build upon his basic engineering training. Such specialists will be in great demand as our technological economy advances. An engineer who has trained in the profession of law, accounting, business labor and personnel or in specific technical fields, will command higher level income, greater job security and the supreme enjoyment of a professional who can contribute to his profession and his community in a measure satisfactory to both."

—Donald K. Davis



The Advanced Management Library Service

New Management Writing . . .

GENERAL MANAGEMENT THEORY AND PRACTICE

A-47 ORGANIZATIONS by James C. March and Herbert A. Simon. 273 pp. Wiley. 1958. \$6.00.

A broad and deep study of the nature of large organizations and how they operate. Proceeds from discussion of theories of organization to analysis of the motivational factors in organizational behavior; the increasing internal consumption of energies that tends to limit effectiveness as organizations grow larger; and means of achieving rational planning in such complicated structures. Covers principles derived from the experience of all types of large organizations—church, industry and Government.

A-48 MEN AND THEIR WORK by Everett C. Hughes. 184 pp. Free Press. 1958. \$4.00.

A deep look at the motivations of people in a work situation. Covers attitudes of different personality types towards different kinds of work, the significance of status and other non-economic incentives, and other related subjects in a thoughtful manner. Written from the point of view of a social scientist, the book casts a new light of understanding on a key area.

A-49 PUBLIC ADMINISTRATION by Marshall E. Dimock and others. 591 pp. Rinehart. 1958. \$7.00.

An expanded and completely revised new edition of a basic work on the theory and practice of administration in government. Goes beyond the usual preoccupation of textbooks with management techniques and organizational structures to consider the basic role and philosophy of government administration.

MANAGEMENT TOOLS AND TECHNIQUES

B-105 OPERATIONS RESEARCH FOR INDUSTRIAL MANAGEMENT by Dimitris N. Chorafas. Reinhold. 312 pp. 1958. \$8.75.

An explanation of the rapidly developing tools of operations research, with specific regard to their application to management problems of planning and decision-making. Covers matrix analysis, flow analysis, linear programming, etc.

B-106 THE EXECUTIVE'S GUIDE TO HANDLING PEOPLE by Frederick C. Dyrer. 193 pp. Prentice-Hall. 1958. \$4.95.

A down-to-earth handbook on a key aspect of executive activity. Covers all aspects of an executive's relationships with other people in his organization. Starting with suggestions on basic approaches in dealing with different types of people, the book goes on to give somewhat oversimplified guidance on human motivations. The book is most useful in giving suggestions on handling special types of relationship situations—such as disciplinary problems and personal crises.

B-107 HOW TO HOLD A BETTER MEETING by Frank Snell. 148 pp. Harper. 1958. \$2.95.

On the thesis that "The meeting problem is the most pressing dilemma of today's business," this well-written little book gives play-by-play guidance on how this necessary but sometimes very time-wasting device can be made most effective. Covers each stage from deciding whether to have a meeting at all to pre-meeting preparation, physical arrangements for the meeting, tips for the meeting chairman and members, and follow-up to assure action on the decisions reached at the meeting.

B-108 EFFECTIVE MARKETING ACTION by David W. Ewing, ed. 335 pp. Harper. 1958. \$6.00.

A collection of brief statements from outstanding marketing experts summing up the best modern knowledge on all aspects of the subject. Sponsored by the New York chapter of the American Marketing Association, the book covers both a modern approach to marketing and specific ways of translating this approach into executive action in all departments of a company.

B-109 THE SCANLON PLAN by Frederick G. Lesieur, ed. 185 pp. Wiley. 1958. \$4.50.

A rounded review of a novel but highly respected approach to labor-management relations and higher productivity. This approach is

based on extensive labor-management participation and cooperation at every stage from planning to sharing the economic rewards of increased production.

B-110 A SOURCEBOOK ON LABOR by Neil W. Chamberlain. 1118 pp. McGraw-Hill. 1958. \$9.75.

A valuable collection of background and reference materials on union organization, labor relations, and government regulation in this field. Includes typical examples of union constitutions, collective agreements, company and union policy statements, and arbitration awards. Also includes important court and administrative decisions on union practices and excerpts from relevant congressional hearings on labor legislation.

B-111 PENSIONS by James S. Hamilton and Dorrance C. Bronson. 422 pp. McGraw-Hill. 1958. \$8.00.

A rounded review of the history, growth and present characteristics of private and public pension and retirement systems in the U. S. Designed both for students and executives concerned with the development and administration of such plans.

PERSONAL DEVELOPMENT

C-35 FASTER READING FOR BUSINESS by George D. Spache and Paul C. Berg. 309 pp. Crowell. 1958. \$3.95.

The first book on reading improvement specifically aimed at the business executive and designed for self-use. Many large organizations have found full courses in reading speed improvement to be a valuable time-saver for their executive corps. This book permits a person who is not in a position to take such a course to apply some of the best of the techniques used on his own.

C-36 MATHEMATICS FOR INDUSTRY by Samuel E. Rusinoff. 574 pp. American Technical Society. 1958. \$6.25.

A revised edition of a well-received basic book on all aspects of computation in engineering and industrial production. Covers mathematical aspects of automatic control, quality control, etc., as well as more familiar subjects.

THE WIDER VIEW

D-59 EDUCATION AND FREEDOM by Vice-Admiral Hyman G. Rickover. Dutton. 1958. \$3.75.

A sharp critique of current American educational practice by the peppery admiral who was responsible for the nuclear submarine. Comparing U. S. and Soviet training in science and engineering and general approaches to education, Admiral Rickover calls for a more serious approach to basic education as an essential to national survival.

S.A.M. BOOK SERVICE

All books described are available for rental or purchase from The Advanced Management Library Service. Rental charges are \$1.25 for six weeks use. Books may be purchased at discounts which are 10% for most new books and substantially higher for used copies when available. Use order form below.

D-60 HUMAN POTENTIALITIES by Gardner Murphy. 350 pp. Basic. 1958. \$6.00.

A distinguished psychologist projects an optimistic picture of the kind of life man can live if he applies the things we already know to making the most of his abilities. The book points out the broad alternatives between a greatly improved way of life, and a very dismal one and the factors on which this choice depends, in a highly stimulating and thought provoking way.

D-61 BUSINESS ORGANIZATION AND PUBLIC POLICY by Henry J. Levin, ed. 571 pp. Rinehart. 1958. \$7.00.

A collection of outstanding articles on various aspects of business competition in relation to national objectives. Includes discussion of anti-trust legislation and other aspects of government control.

D-62 MONEY, MEN AND MACHINES by Waddill Catchings and Charles F. Roos. 260 pp. Economic Institute. 1958. \$3.50.

A revised and up-to-date edition of a valuable analysis of the major elements in the American economy. Covers trends in savings, wages, prices and productivity and their future implications.

D-63 THE AMERICAN LABOR FORCE by Gertrude Bancroft. 270 pp. Wiley. 1958. \$7.50.

An overall analysis of the current U. S. manpower picture based on latest census data. Shows the changing composition and size of the national labor force and analyzes the factors which have created these changes.

D-64 OUR LAND OUR PEOPLE by Edward A. Hamilton and Charles Preston, eds. 212 pp. Prentice-Hall. 1958. \$4.95.

A stirring collection of photographs of America and Americans selected from the best pictures which have appeared in *Look* magazine over the past twenty years.

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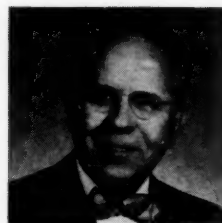
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University Division Observations

by Professor Harold Fischer

Vice President,
University Chapter Division



FROM Massachusetts to California, from Minnesota to Florida, in Canada and in Puerto Rico, members and officers of the 141 chapters that make up the S.A.M. University Division are learning by doing, putting into practice the fundamentals of good organization, planning and control. Their close association with business executives in S.A.M. meetings and in connection with plant visits, gives them a realistic and constructive understanding of the operation of the free enterprise system and full appreciation of the problems, responsibilities and opportunities of business management, and their preparation for business is being made effective through membership in the S.A.M. University Division.

With the strengthening of our older chapters and organization of new chapters throughout the country, the University Division moves forward in service. Performance Reports so far this year reveal continued improvement in programs and further diversification of chapter activities.

For example, the *Boston College Chapter* in their "Boston College Executive" newsletter inserts a "Business Case of the Month" for consideration of the members. Also, four or five articles, especially written for the newsletter by the student members, are included each month along with good editorials and residential messages that are thought-stimulating. This chapter has developed an outstanding newsletter that is being effectively used in advancing management education and in binding the members closer together.

More chapters this year are recognizing the value of a well-designed and effectively prepared newsletter. The newsletters attached to Performance Reports are indicative of what can be done when chapter members get together to do a real job. It is our hope that all chapters eventually will have a regular newsletter in which an interesting collection of news items and business management topics are included. A special award is now available each year for the outstanding newsletter. *Babson Institute, Boston College, American University, Indiana University and Mississippi State University* Chapters have been honored for their newsletters. (Appendix B of the Per-

formance Awards Plan gives full details.)

Congratulations are in order for the *San Diego State College Chapter* for their well-organized and successful management conference on "Labor Issues", with business executives and leaders participating. In their printed program the following welcome appeared: "In order to encourage study, research and application of scientific principles and methods of management to all fields of human endeavor, the members of the San Diego State College Chapter of the Society for Advancement of Management welcome you to our first annual conference."

Babson Institute Chapter uses a clever approach in their membership campaign: "You are at Babson learning to be a leader • S.A.M. is seeking leaders • Join S.A.M. to apply your lessons."

The *University of Kansas*, through a Faculty Board of Review headed by Professor H. K. L'Ecuyer, stimulates performance by reviewing periodically the services rendered by each member and awarding to the deserving members a certificate of achievement. This periodic, planned appraisal of service enabled this chapter to finish in 8th place last year during its first full year of operation—a real record!

We pay tribute to the *University of Minnesota Chapter* and the *Twin City Senior Chapter* for their close collaboration. In the "Big Brother Program" each member has the option of choosing a member of the Senior Chapter who will assist the student member in any class research projects, discuss topics of interest with the student, and show him around the senior member's plant. To each S.A.M. monthly meeting of the Twin City Chapter, two students attend as guests of the Senior Chapter and have an opportunity to talk with leading men of industry and business in the Twin Cities.

More chapters this year are planning placement brochures containing pictures and biographical data of graduating members. *Los Angeles State College* has an unusually attractive placement booklet this year.

The *New York University, School of Commerce, Day Division Chapter* has made available to its members and others a very effective desk pencil holder, with adjusting months and days of the week, in a beauti-

fully-designed brown simulated leather. This indicates again the progressive work of this relatively new University Chapter.

The *University of Illinois Chapter* has a team in the campus bowling league while a number of other chapters are participating in various campus and intramural activities. The *University of Richmond Chapter* won second place for their outstanding float in the Homecoming Parade. Yes, S.A.M. is occupying an important place in the campus life of an ever-increasing number of educational institutions.

UNIVERSITY CHAPTER MEMBERSHIP

As of January 1, 1959

Georgia Institute of Technology	175	Arizona St. Univ.	48
Indiana Univ.	148	Bowling Green State Univ.	48
Univ. of Conn.	129	New York Univ.	48
Penn. State Univ.	124	School of Comm. —Evening Div.	48
Univ. of Texas	124	Georgetown Univ.	46
Miss. State Univ.	120	Loyola University —Chicago	46
St. Norbert College	118	St. John's Univ.	46
Sacramento State College	116	Univ. of Pitts.	46
Alabama Polytechnic Inst.	111	Univ. of Illinois	45
Ohio University	110	San Fernando Valley State College	44
New York Univ. —School of Comm. Day Division	107	Roosevelt Univ.	43
Univ. of Wisconsin —Madison	105	Villa Madonna College	42
Villanova Univ.	101	Univ. of Florida	42
Univ. of Maryland	96	Franklin and Marshall Col.	41
Temple University —Evening Div.	91	L. A. State Col.	41
Univ. of Houston	91	Univ. of Mo.	41
W. Carolina Col.	89	W. Mich. Univ.	41
Duquesne Univ.	86	Syracuse Univ.	40
Northeastern Univ.	86	Univ. of So. Calif.	40
St. Peter's School of Business	85	Clarkson College of Technology	39
Univ. of Tenn.	85	St. Louis Univ.	39
Ohio State Univ.	81	Univ. of Miss.	39
Clemson College	80	Temple University —Day Division	38
Rider College	80	Univ. of Pa.	38
Univ. of Arkansas	80	Col. of William and Mary	37
Kansas State Col.	79	Univ. of Minnesota	37
Lawrence Inst. of Technology	78	Univ. of Omaha	37
Penn. Military Col.	74	Wayne St. Univ.	36
Drexel Institute of Technology	72	Hofstra College	35
San Diego State College	70	Butler Univ.	34
Univ. of Baltimore	70	Univ. of Richmond	34
Tennessee Polytechnic Inst.	69	Univ. of Scranton	34
Boston Univ.	68	Ga. State Col.	33
American Univ.	67	Univ. of Calif. —Berkeley	33
Boston College	67	Univ. of Cincinnati	32
N. Tex. St. Col.	67	Fairleigh-Dickinson Univ.	31
Univ. of Kansas	66	Long Beach State College	31
Babson Inst.	65	State Univ.	31
San Jose State Col.	65	Kent State Univ.	30
Newark College of Engineering	64	La. State Univ.	30
Rutgers Univ.	64	Mich. State Univ.	30
Rochester Institute of Technology	63	Rensselaer Polytechnic Inst.	30
Guilford College	62	St. Joseph's Col.	29
Univ. of Alabama	62	Univ. of Dayton	29
Univ. of Oklahoma	62	Univ. of Delaware	29
Lamar College of Technology	61	Santa Maria Catholic Univ. of Puerto Rico	28
C. W. Post College of L. I. U.	58	Allegheny Col.	27
LaSalle College —Day Div.	58	So. Methodist Univ.	27
Memphis St. Univ.	57	Univ. of Puerto Rico	27
Univ. of Detroit	57	Ind. Central Col.	26
Woodbury College	56	Loyola College of Montreal	25
Univ. of Kentucky	55	Loyola Univ. of New Orleans	24
Geo. Washington Univ.	54	Univ. of Arizona	24
DePaul Univ.	53	City Col. of N. Y.	22
Miami University	52	Univ. of Tulsa	22
W. Va. Univ.	52	Univ. of Vermont	22
University of British Columbia	51	Yale University	22
LaSalle College —Evening Div.	50	Fenn College	21
Univ. of Bridgeport	50	Okla. St. Univ.	21
University of Chattanooga	50	Emory Univ.	20
Univ. of Mich.	50	Wash. State Col.	20
Case Inst. of Tech.	49	Otterbein College	19
Univ. of N. Dak.	49	N. Y. U. School of Engineering	14
University of Rhode Island	49	Cornell Univ.	15
Univ. of Wisconsin —Milwaukee	49	Marian College	15
		Univ. of Calif. —Los Angeles	14
		Univ. of Miami	13
		La. Polytech. Inst.	12
		McGill University	11
		Antioch College	8

UNIVERSITY CHAPTER MEMBERSHIP AWARDS First Semester 1958-1959

The following chapters received membership growth awards:

Alabama Polytechnic Institute	Temple University—Evening Division
Clemson College	University of Baltimore
Emory University	University of Bridgeport
George Washington University	University of British Columbia
Lawrence Institute of Technology	University of Chattanooga
Michigan State University	University of Detroit
Sacramento State College	Yale University
St. Louis University	

The following chapters won membership in the "100 Club" on the basis of a membership of 100 or more:

Georgia Institute of Technology	Sacramento State College
Indiana University	Alabama Polytechnic Institute
University of Connecticut	Ohio University
Pennsylvania State University	New York Univ.—Sch. of Commerce, Day Div.
University of Texas	University of Wisconsin—Madison
Mississippi State University	Villanova University
St. Norbert College	

TYPICAL S.A.M CHAPTER ACTIVITIES—MARCH 1959

CHAPTER	SUBJECT	SPEAKER	PLACE	DATE
Alabama	"Sales and Sales Management"	G. S. Cutini, VP, Life Ins. Co. of Ga., Atlanta	Gulas Restaurant	10
Binghamton	Joint Meeting with Industrial Council		Sheraton Hotel	11
Boston	"Improved Productivity Through Better Communications"	W. Oncken, Jr., Dir. Mgmt. Dev., N. Y. Central Railroad	M. I. T. Faculty Club	5
Bridgeport	"How to Audit Your Management Effectiveness"	John L. Schwab, Pres., John L. Schwab & Assoc.	Algonquin Hotel	3
Central Pa.	Plant Visitation—CBS Lab., Stamford, Conn.	Thomas H. Freeman, Chmn., Barnes Engrg. Co.		17
	"Management Incentives"—Joint Meeting with Student Chapter	Standard Oil Co. of Ohio	Home Eco. Cafeteria State College	19
Chattanooga	"Cost Reduction of Indirect Labor"	R. J. Levin, VP, Engrg., United Mills Corp., Mt. Gilead, N. C.	Read House	19
Chicago	"Management Views the Materials Handling Program"	Warren O. King, Asst. Editor, Factory Management & Maintenance Magazine	Furniture Club of America	24
	"Budgets & Costs—Their Relationship to the Industrial Engr."	W. R. Bunge, Mgr. of Budgets, Inland Steel Co.	Furniture Club of America	10
	"How to Feed Your Employees" — New Dimensions in cafeteria, vending and catering	Virginia Schmidt, Food Control Supervisor, Ill. Bell Telephone Co.	Furniture Club of America	16
	"Some Applications of Queueing Theory"	R. Douglas Packham, Dist. Sales Mgr., Vendo Co. L. J. Harrington, VP, Szabo Food Service, Inc.	Hardings Presidential Grill	3
	"Budgetary Phases of Production Control"	Donald Schiller, Caywood-Schiller Associates, Chicago, Ill.	Furniture Club of America	10
Cleveland	"A Study in Human Relations" (Harvard Bus. Sch. Case Study)	Ralph Nagan, Div. Control Officer, Continental Can Co.		9
Dallas	"Putting the Five Areas into Action"	Donald S. Manning, Div. Mgr. Parker-Hannifin Corp., Cleveland	Melrose Hotel	11
Detroit	"Creative Thinking"	Panel Discussion	Engineering Society	17
Fox Valley	Plant Visitation—Hamilton Mfg. Co., Two Rivers, Wisconsin	Allan Haggar, Chrysler Corporation	Branch River C. Co., Manitowoc, Wis.	12
Greensboro Area	Plant Visitation—United Furn. Co., Lexington, N. C.	Otto V. Uhlir, VP, Manufacturing		12
	Time & Motion Study Conference, Joint Sponsor, A.I.I.E., Winston-Salem, N. C.			18-20
Greenville	"Psychology in Management"	Roderick F. O'Connor, Russell & O'Connor, Industrial Psychologists, Atlanta	Elks Club	16
Hartford	"Pros & Cons of Predetermined Time Systems"			19
Knoxville	Student's Night—"A Close Study of Management"	A. H. Keally, Head of Ind. Mgmt. Dept., University of Tennessee, Knoxville	Deane Hill C. C.	10
	Plant Visitation		Oak Ridge Nat. Lab.	24
Lancaster	"Unions Look at Industrial Engineering"	David Lasser, Res. Dir., Int. Union of Electrical, Radio & Machine Workers, Washington, D. C.	York, Pa.	17
	Plant Visitation		S. Morgan Smith, York, Pa.	17
Lehigh Valley	"You—The Voice of Management"	J. Roger Deas, VP., American Can Co., New York	Walp's Restaurant, Allentown, Pa.	3
London District	"Management Selection for Tomorrow"	Jack Howlett, Mgr. Ind. Rel., Can. Marconi Co.	Hook's Restaurant	19
Long Island	"Public Relations"	Ray Ellis		23
Los Angeles	"Market Analysis as an Effective Management Tool"	Ed McCollister		19
Madison	"Around the World" (Ladies' Nite)	Roy Matson, Editor & Pub. Wisconsin State Jnl.	Cuba Club	4
Milwaukee	"Motivating for Profit Improvement"	Jerome Barnum, Jerome Barnum Associates	ESM Building	12
	Industrial Engineering Seminar	Raymond O. Egeland, Chairman	ESM Building	26
	Production Control Discussion Group	Robert J. Heller, Chairman	ESM Building	3
	"Problems in Operating Management"	M. S. Layton, Wks. Mgr., Montreal Works, Steel Co. of Canada, Ltd.	Ritz Carlton Hotel	11
	10th Annual Ind. Engrg. & Mgmt. Conf.		Mount Royal Hotel	20
Nashville	"Let's Manage As Well As We Know How"	W. M. Aiken, VP, Methods Engrg. Council, Pittsburgh	Hermitage Hotel	12
New Haven	"Freedom or Compulsion"—A presentation of the Right to Work Issue in Conn.	Wm. F. Burleigh, Mgr., Emp. & Comm. Relations, General Electric Co., Bridgeport, Conn.	Colonial House, Hamden, Conn.	19
No. Alabama	"Selection and Training For Top Management Positions"	Chas. Robinson, Staff Member, McKinsey & Co.	Hotel Russel Erskine	12
N. New Jersey	Spring Conference—Operation Sick Plant—A Diagnosis & Treatment		Hotel Suburban, E. Orange	19
N.E. Penna.	"What's New in Management Training"	Robert N. Dobbins, Research Inst. of America	Twin Grill, Wilkes-Barre, Pa.	2
Philadelphia	"Education for Management-Engineering or Liberal Arts?"	Panel Discussion representing Engineering and Liberal Arts		3
Pittsburgh	"Coordination of Research & Engineering in the Armed Forces"	P. Foote	Penn-Sheraton Hotel	19
Providence	"Taking the Mystery out of Motivation"	Wm. W. Light, Vaule and Company	Brown Refractory	5
Raritan Valley	"Evolutionary Operation: A Method of Improving Industrial Processes"	Dr. J. Stuart Hunter, Dept. of Mathematics, Princeton University, Princeton, N. J.	Roger Smith Hotel, New Bruns., N.J.	18
Reading	"How to Measure Your Industrial Engineering"	John L. Schwab	Reading Country Club	9
St. Louis	"The Role of the Engineer in Management"	Brice R. Smith, VP, Sverdrup & Parcel, Inc.		24
Washington	"The Manpower Problem & Its Relation to Technological Developments"	The Honorable James P. Mitchell, Secretary of Labor		18
W. Mass.	"EDP Systems Installation"	Stevens Shea and Arthur N. Nichols, Mass. Mutual Life Ins. Co.	Storowton Inn, West Springfield, Mass.	18
Wilmington	"The Art of Leadership"	Roger Hull, Exec. VP, Mutual Life Ins. of N. Y.	Lord De La Warr Hotel	10

UNIVERSITY CHAPTER PERFORMANCE STANDINGS

(First 1959 Report)

Univ. of Tennessee	1525	Alabama	
Indiana Univ.	1440	Polytechnic Inst.	900
San Diego St. Col.	1415	San Jose St. Col.	900
Ohio University	1410	Duquesne Univ.	870
Univ. of Houston	1395	Santa Maria	
Univ. of Kansas	1360	Catholic Univ. of	
Franklin and		Puerto Rico	815
Marshall Col.	1330	Univ. of Penn.	815
Univ. of Pittsburgh	1310	Drexel Inst. of	
Boston Univ.	1270	Technology	785
Clarkson Col. of		Wayne State Univ.	770
Technology	1260	Bowling Green	
Univ. of Illinois	1260	State University	740
American Univ.	1220	Miami Univ.	745
LaSalle College		Univ. of Okla.	735
—Evening Div.	1220	Memphis St. Univ.	730
Babson Institute	1200	Univ. of Maryland	730
Villa Madonna		Univ. of Miss.	730
College	1180	Univ. of Wisc.—	
Roosevelt Univ.	1170	Madison	705
Rider College	1165	Rensselaer	
Miss. St. Univ.	1160	Polytechnic Inst.	665
Sacramento		Univ. of Florida	600
State College	1160	Clemson College	595
Boston College	1145	W. Car. Col.	585
Univ. of Wisconsin—		Guilford College	580
Milwaukee	1145	Pa. Military Col.	570
Geo. Wash. Univ.	1115	Wash. State Col.	565
Univ. of Arkansas	1085	Ohio State Univ.	540
Loyola University		St. Peter's School	
of Chicago	1070	of Business	540
N. Y. University—		Pa. State Univ.	530
School of Com.		Rutgers Univ.	515
—Day Division	1065	DePaul Univ.	485
Univ. of Omaha	1055	C. W. Post Col.	
Univ. of Conn.	1050	of L. I. Univ.	470
Temple Univ.—		Butler Univ.	460
Evening Div.	1045	Cornell Univ.	450
Univ. of N. Dak.	995	Tennessee	
Univ. of Calif.—		Polytech. Inst.	450
Berkeley	990	Syracuse Univ.	440
U. of Bridgeport	985	University of	
Villanova U.	980	Chattanooga	430
Kansas St. Col.	955	St. John's Univ.	425
Ga. Inst. of Tech.	950	Univ. of R. I.	425
Univ. of Minnesota	950	L. A. State Col.	365
Univ. of Mich.	945	W. Mich. Univ.	365
Univ. of Detroit	935	Univ. of Richmond	265
Univ. of Alabama	930	St. Norbert Col.	
Univ. of Missouri	925	(new charter)	200

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(2) Skill practice groups, where individuals have an opportunity to work on job cases and to analyze human relations problems through demonstrations.

(3) Information sessions, where the staff, through informational lectures, explain some of the things happening in the Laboratory group sessions and also bring up-to-date information on findings in the field of social science research.

Registration fee, including tuition and all Workshop materials, is \$200; room and meals are extra. To register, or to obtain more information, write to Mr. George Talley, c/o Cutler-Hammer Inc., 315 North 12th Street, Milwaukee, Wisconsin.

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1959 Calendar of NATIONAL & REGIONAL EVENTS

- February 3—New York City
Workshop on Development of Executive Leadership Skills
- February 6—Atlanta
Southern & Southeastern Regional Meeting
- February 6—Atlanta
National Nominations Committee
- February 7—Atlanta
National Executive Committee
- March 10—New York City
Work Sampling Training Clinic
- March 15-20—Milwaukee
S.A.M.-N.T.L Workshop on Leadership Skills
- April 7—New York City
Simulation Workshop — A New Management Tool
- April 23-24—New York City
Annual Spring Conference—Management Engineering
- April 25—New York City
National Directors Meeting
- June 20—Washington or Philadelphia
National Executive Committee

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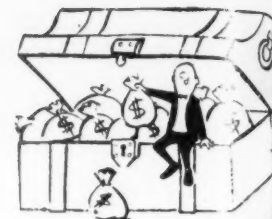
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